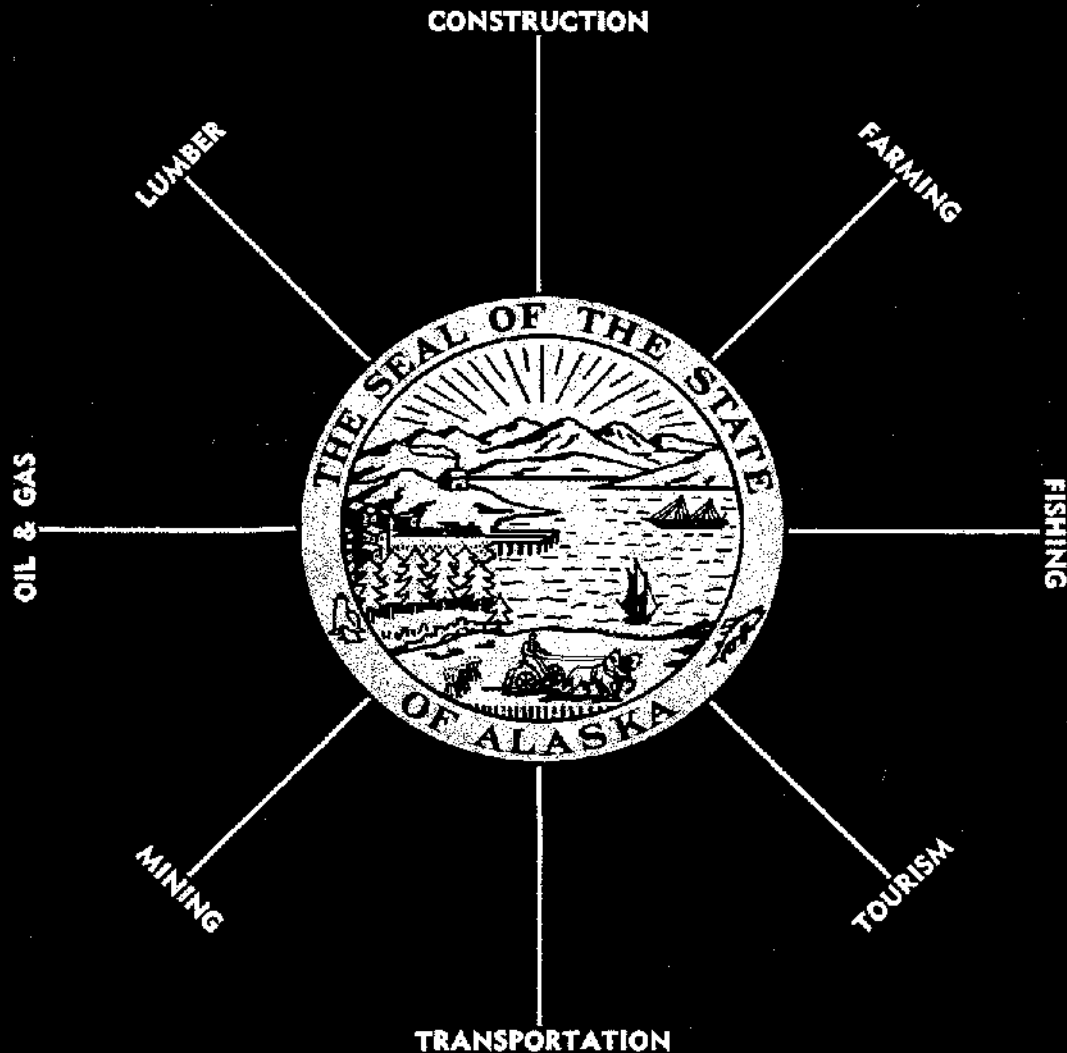


STATE OF ALASKA

PUBLIC EMPLOYEES RETIREMENT SYSTEM TEACHERS RETIREMENT SYSTEM



Fiscal Year Ended June 30, 1977

JAY S. HAMMOND
GOVERNOR

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
TEACHERS' RETIREMENT FUND
Fiscal Year 1977

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STATE OF ALASKA

RETIREMENT FUNDS Introduction

GENERAL COMMENTS

The information presented in this report shows the results of operations and the financial condition of the two retirement funds for the fiscal year ending June 30, 1977.

The assets accumulated by these funds are used to provide retirement benefits for the members of the Public Employees' Retirement System and the Teachers' Retirement System.

Assets of the Public Employees' Retirement Fund total \$190,954,572 as of June 30, 1977, an increase of \$48,965,928 over the preceding fiscal year. Assets of the Teachers' Retirement Fund amount to \$177,345,467 as of June 30, 1977, an increase of \$39,722,085 over the preceding fiscal year. The combined assets of both funds total \$368,300,039.

Both the Public Employees' Retirement System (PERS) and the Teachers' Retirement System (TRS) are joint contributory systems with defined contributions and benefits. In PERS, peace officers and firemen contribute 5 percent and all other members contribute 4.25 percent of gross pay. Employer contribution rates in FY 1977 averaged 10.35 percent of gross pay in comparison with 7.63 percent in FY 1976 and with 10.61 percent in the coming FY 1978. Under TRS, members contribute 7 percent of base salary. The combined TRS employer and State Matching Contributions for fiscal year 1977 amounted to 14.18 percent of gross pay.

As of June 30, 1977 there were 64 participating employers and approximately 15,800 active members in the PERS. There were 59 participating employers and approximately 6,540 active members in the TRS.

During FY 1977, interest at the rate of 4 1/2 percent per annum was credited to TRS employees' accounts. This interest totaled \$2,492,824 as compared with the \$2,069,390 credited the year before. Members of the PERS earned interest at the rate of 2 1/4 percent compounded semiannually for a total of \$1,860,874 compared with \$1,464,813 credited during the previous fiscal year.

On June 30, 1977 there were 1,672 persons receiving retirement benefits under the PERS as compared with 1,104 a year earlier and 852 persons receiving retirement benefits under the TRS as compared with 684 a year ago. This represents an increase of 51 percent for PERS recipients and 25 percent for TRS recipients.

STATE OF ALASKA

During the fiscal year ending June 30, 1977, retirement benefits in the amount of \$7,607,162 were paid to PERS recipients, an increase of 57 percent above the \$4,842,542 paid out a year earlier. Fiscal year 1977 retirement benefits for TRS recipients were \$8,161,421, an increase of 28 percent over the \$6,390,012 paid the year before.

The average annual benefit received by PERS retirees was approximately \$4,550, whereas the average amount received by TRS retirees was approximately \$9,579. Similar averages for fiscal year 1976 were \$4,386 for PERS and \$9,342 for TRS.

STATE OF ALASKA

INVESTMENT COMMENTS

The economy of the United States during the fiscal year ending in June, 1977, continued to expand at a very healthy pace. Although the real growth in GNP in the first half was only 2.5 percent due to a major strike of the Ford Motor Co., it rebounded in the second half to over 6-1/2 percent real growth. The economic expansion has been very broad based with consumer spending leading the way. Combined with this increase in consumer spending, there has also been a very rapid expansion in the housing and automobile industries. Actually, the only sector that has been a laggard in this economic expansion is business expenditures on new plant and equipment, but it is widely expected that this sector will be expanding at a greater rate in the next year. By allowing the monetary aggregates to expand at a fairly rapid rate, the Federal Reserve Bank has provided the major impetus behind this economic expansion. This sharp increase in money supply has greatly enhanced both the consumer and the business community's financial position. This increased liquidity in the system has enabled the consumer to increase his rate of spending while also allowing for an internally financed expansion by the corporate community. The capital markets responded to these developments favorably in the first half of the year but this trend reversed itself in the second half as the markets began to anticipate reduced liquidity and a higher inflation rate.

Due to the narrow yield spreads between the lower quality securities and very high quality securities, the Treasury Division investment strategy was to reduce market risk in the portfolio by swapping into higher quality securities with shorter maturities. This was done to insure preservation of principal in a period that has exhibited a high degree of volatility in the capital markets. This basically defensive investment strategy has been maintained throughout most of the second half of the fiscal year.

During the year increased emphasis was placed on investments in Alaska mortgages. A total of \$63,000,000 was invested in mortgages for the two retirement systems. Scheduled repayments and prepayings amounted to \$14,300,000 for a net increase of \$48,700,000 in the mortgage portfolios. Rates received on the new purchases ranged from 9-1/2 percent to 10-3/4 percent. The average yield on mortgage investments was 9.37 percent.

The Treasury Division evaluates investment results using performance measurement techniques developed by the Bank Administration Institute. One of these measurements, called time-weighted rate of return which reflects both changes to market value and income, is used to gauge the performance of Alaska's retirement funds in relationship to other funds similarly measured.

In fiscal year 1977, the Public Employees' and Teachers' Retirement Funds achieved a total return of 10.49 percent and 11.53 percent, respectively. These results reflect a continuing recovery of market value in the fixed income segments of each portfolio.

STATE OF ALASKA

The following table displays the returns achieved on the various portions of each of the two Statewide retirement funds as well as the comparable returns of the median and top quarter of the population of funds measured by the A. G. Becker Securities Corporation.

	Public Employees' Retirement Funds		
	Time Weighted Percentage Rates of Return		
	<u>Income</u>	<u>Appreciation</u>	<u>Total</u>
Fixed Income	8.03	4.61	12.64
Common Stock	3.10	-3.97	-0.87
Total Fund	7.36	3.13	10.49

	Teachers' Retirement Fund		
	Time Weighted Percentage Rates of Return		
	<u>Income</u>	<u>Appreciation</u>	<u>Total</u>
Fixed Income	8.17	4.83	13.00
Common Stock	3.19	1.08	4.27
Total Fund	7.41	4.12	11.53

Comparative Performance from Becker Population

	<u>Top 25% Fund</u>	<u>Median Fund</u>
Fixed Income	12.20	10.40
Common Stock	2.30	-2.60
Total Fund	6.80	2.30

Indices

Standard and Poor's 500 Stock Average	0.60%
Corporate Bond Index, Kuhn Loeb	15.10%

STATE OF ALASKA

The following tables display the cumulative time-weighted rates of return for the past four years for each retirement fund.

Public Employees' Retirement Fund Annually Compounded Time-Weighted Rates of Return

	<u>1977</u>	<u>1976</u>	<u>1975</u>	<u>1974</u>
First Year	10.49	8.27	11.02	-4.65
Second Year	9.38	9.64	2.89	
Third Year	9.92	4.65		
Fourth Year	6.08			

Teachers' Retirement Fund Annually Compounded Time-Weighted Rates of Return

	<u>1977</u>	<u>1976</u>	<u>1975</u>	<u>1974</u>
First Year	11.53	8.62	13.98	-3.83
Second Year	10.07	11.27	4.69	
Third Year	11.35	5.99		
Fourth Year	7.35			

An important difference between the time-weighted return calculation and the more traditional approach often called the realized income or accounting income method is the treatment of gains and losses in the market value of securities. The accounting or realized income approach recognizes capital gains or losses only at the time securities are sold or mature. This method is used to calculate the net income reported on the funds operating statement.

The time-weighted rate of return measurement in contrast reflects the portfolio's unrealized changes in market value over the year. The gain or loss in market value is evaluated monthly by the performance measuring system and is calculated as a positive or negative percentage. These monthly rates are combined to form annual and compound annual returns.

Over a long period of time these different calculations of rates of return should produce similar results. However, for annual periods and particularly during periods of high inflation the time-weighted return more accurately reflects actual investment results.

STATE OF ALASKA
RETIREMENT FUNDS
Combined Balance Sheet
June 30, 1977

<u>ASSETS</u>	<u>Total</u>	<u>Public Employees' Retirement Fund</u>	<u>Teachers' Retirement Fund</u>
Current Assets			
Investments:			
Short Term Debt Issues	\$ 3,414,428	\$ 2,252,428	\$ 1,162,000
Fixed Income Marketable	163,793,475	84,028,174	79,765,301
Loans and Mortgages	136,671,351	74,729,682	61,941,669
Common Stock Account	53,788,243	26,033,871	27,754,372
Total Investments	<u>\$357,667,497</u>	<u>\$187,044,155</u>	<u>\$170,623,342</u>
Other Current Assets:			
Savings Deposits	\$ 6,173,087	\$ 3,331,940	\$ 2,841,147
Cash Pending Permanent Investment	<u>\$ 4,459,455</u>	<u>\$ 578,477</u>	<u>\$ 3,880,978</u>
Total Other Current Assets	<u>\$ 10,632,542</u>	<u>\$ 3,910,417</u>	<u>\$ 6,722,125</u>
Total Current Assets	<u>\$368,300,039</u>	<u>\$190,954,572</u>	<u>\$177,345,467</u>
<u>EQUITIES AND RESERVE</u>			
Equities:			
Employees Equities	\$117,365,373	\$ 46,029,622	\$ 71,335,751
Employers Equities	108,588,343	100,935,500	7,652,843
Total Equities	<u>\$225,953,716</u>	<u>\$146,965,122</u>	<u>\$ 78,988,594</u>
Retirement Reserve	<u>\$142,346,323</u>	<u>\$ 43,989,450</u>	<u>\$ 98,356,873</u>
Total Equities and Reserve	<u>\$368,300,039</u>	<u>\$190,954,572</u>	<u>\$177,345,467</u>

STATE OF ALASKA

RETIREMENT FUNDS
 Combined Statement of Operations
 For Fiscal Year Ended June 30, 1977

	<u>Total</u>	<u>Public Employees'</u> <u>Retirement Fund</u>	<u>Teachers'</u> <u>Retirement Fund</u>
Beginning Equities and Reserve July 1, 1976	\$279,612,026	\$141,988,644	\$137,623,382
Additions:			
Employees' Contributions	25,559,315	13,396,432	12,162,883
Employers' Contributions	58,911,412	34,881,182	24,030,230
Interest Earned on Indebtedness	502,452	42,106	460,346
Net Investment Income	26,186,043	12,602,465	13,583,578
Total Additions	<u>\$111,159,222</u>	<u>\$ 60,922,185</u>	<u>\$ 50,237,037</u>
Beginning Balances and Additions	<u>\$390,771,248</u>	<u>\$202,910,829</u>	<u>\$187,860,419</u>
Deductions:			
Administrative Expenses	\$ 1,026,049	\$ 532,347	\$ 493,702
Employees' Contributions and Interest Refunded	5,676,577	3,816,748	1,859,829
Retirement Benefits Paid	15,768,583	7,607,162	8,161,421
Total Deductions	<u>\$ 22,471,209</u>	<u>\$ 11,956,257</u>	<u>\$ 10,514,952</u>
Ending Equities and Reserve, June 30, 1977	<u>\$368,300,039</u>	<u>\$190,954,572</u>	<u>\$177,345,467</u>

STATE OF ALASKA

PUBLIC EMPLOYEES'
RETIREMENT
FUND

BOARD MEMBERS

<u>Name</u>	<u>Term Expires</u>
C.R. "Steve" Hafling, Chairman	June 20, 1978
Robert L. Anderson	December 14, 1978
Ronald M. Henry	June 20, 1982
Norman J. Levesque	October 26, 1977
Morgan W. Reed	June 20, 1980

September 16, 1977

Board of Directors
State of Alaska Public Employees
Retirement System
Juneau, Alaska

We have examined the statements of assets and equity arising from cash transactions of the State of Alaska Public Employees Retirement System as of June 30, 1977 and 1976, and the related statements of changes in equity arising from cash transactions for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Cash and investment accounts at June 30, 1977 and 1976 were confirmed by direct communication with the depositaries, custodians and servicing financial institutions.

As described in Note A, the System's policy is to prepare its financial statements on the basis of cash receipts and disbursements. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly the assets and equity arising from cash transactions of the State of Alaska Public Employees Retirement System as of June 30, 1977 and 1976, and the changes in equity arising from cash transactions for the years then ended, on the basis of accounting described in Note A, which basis has been consistently applied.

Touche Ross & Co.

Certified Public Accountants

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATEMENTS OF ASSETS AND EQUITY
ARISING FROM CASH TRANSACTIONS

	June 30,	
	<u>1977</u>	<u>1976</u>
<u>ASSETS</u>		
Cash	\$ 578,477	\$ 355,235
Certificates of deposit and savings accounts	4,233,569	1,208,807
Bonds, notes and debentures:		
United States Government, at cost (market \$65,178,673 in 1977 and \$45,945,516 in 1976)	63,855,756	45,666,027
Other, at cost (market \$31,450,689 in 1977 and \$35,665,800 in 1976)	30,806,498	35,521,942
Common stocks, at cost (market \$17,455,313 in 1977 and \$21,097,341 in 1976)	16,750,590	20,672,908
Real estate mortgages and SBA loans	74,729,682	38,563,725
	<u>\$190,954,572</u>	<u>\$141,988,644</u>
<u>EQUITY</u>		
Equity	<u>\$190,954,572</u>	<u>\$141,988,644</u>

See notes to financial statements.

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATEMENTS OF CHANGES IN EQUITY
ARISING FROM CASH TRANSACTIONS

	<u>Year ended June 30,</u>	
	<u>1977</u>	<u>1976</u>
Balance at beginning of year	\$141,988,644	\$107,556,336
Additions during the year:		
Employer contributions	34,881,182	22,712,558
Employee contributions	13,438,538	12,369,538
Investment income	<u>12,602,465</u>	<u>8,367,857</u>
	60,922,185	43,449,953
Deductions during the year:		
Refunds to terminating members	3,816,748	3,758,719
Retirement benefits paid	7,607,162	4,842,542
Administrative expenses	<u>532,347</u>	<u>416,384</u>
	<u>11,956,257</u>	<u>9,017,645</u>
Balance at end of year	<u>\$190,954,572</u>	<u>\$141,988,644</u>

See notes to financial statements.

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1977 AND 1976

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The State of Alaska Public Employees Retirement System, established January 1, 1961, is a contributory pension system covering substantially all full-time employees of the State of Alaska. In addition, employees of participating political subdivisions are included in the System. A separate retirement system covers teachers. Elected officials may participate in the System at their option.

Investments are stated at cost. Investment income consists of interest, dividends and the gain or loss on disposition of investments, which is the difference between the acquisition cost and the net sales proceeds.

The System maintains its records, and the financial statements are prepared, on the cash basis of accounting.

Contributions, interest and dividends, retirement benefits, refunds to terminating members and administrative expenses are recorded when cash is received or disbursed. Deferred discount or premium on mortgages is amortized over the terms of the mortgages.

NOTE B - DESCRIPTION OF THE SYSTEM:

Peace officers and firemen contribute 5% of gross pay to the System; other members contribute 4-1/4%. Members earn interest on their contributions at the rate of 2-1/4%, credited semiannually. Employers contribute at actuarially determined rates which are estimated to be sufficient to annually fund current service costs and fund prior service costs over 40 years.

Peace officers and Firemen are entitled to full retirement benefits upon completion of 20 years of service or at age 55. Other participants may retire at age 55 with at least five years of service or at any age with at least 30 years of service. All members of the System may take early retirement as defined in the System with reduced benefits. Upon termination, member contributions are refundable with accrued interest. All retirees receive a minimum monthly benefit of \$17.50 for each year of credited service.

NOTE C - ACTUARIAL METHOD:

The employer contribution rates are determined actuarially on the basis of the aggregate method with supplemental liability.

Significant actuarial assumptions affecting employer funding rates are: 5% investment yield and salary escalation of 5% per year. Assets are valued at cost.

The increase in the actuarially determined unfunded prior service liability, from \$52,600,000 in 1976 to \$77,132,000 in 1977, arises from legislation which reduced retirement ages and retroactively increased benefits.

ADDITIONAL INFORMATION

The additional information presented in the following pages has been taken from the accounting and other records of the System and has been subjected to the tests and other auditing procedures applied in the examination of the financial statements for the year ended June 30, 1977. In our opinion, such information is fairly presented in all material respects in relation to the financial statements taken as a whole although it is not necessary for a fair presentation of the System's assets and equity or changes in equity arising from cash transactions.

Touche Ross & Co.

Certified Public Accountants

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS

JUNE 30, 1977

	<u>Maturity date</u>	<u>Cost</u>	<u>Interest rate</u>
CERTIFICATES OF DEPOSIT AND SAVINGS ACCOUNTS:			
<u>Certificates of deposit -</u>			
Arctic First Federal Savings and Loan	10/25/77	\$ 100,000	7.50
Arctic First Federal Savings and Loan	5/01/78	200,000	7.50
Arctic First Federal Savings and Loan	2/15/79	150,000	7.50
Arctic First Federal Savings and Loan	2/15/80	100,000	7.50
First Federal Savings and Loan	7/11/77	114,000	7.50
First Federal Savings and Loan	7/10/78	100,000	7.50
		<u>764,000</u>	
<u>Savings accounts -</u>			
✓ Bank of California		✓ 3,331,940	5.00
National Bank of Alaska		137,629 ✓	5.00
		<u>3,469,569</u>	
		<u>\$4,233,569</u>	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

UNITED STATES GOVERNMENT:

U. S. Treasury Notes & Bonds -	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
U. S. Treasury Notes	6.00	3/31/79	\$ 1,000,000	\$ 1,000,625	\$ 1,000,000	5.960
U. S. Treasury Notes	6.50	2/15/80	1,000,000	996,780	1,002,000	6.520
U. S. Treasury Notes	7.00	5/15/82	1,000,000	1,001,719	1,011,000	6.990
U. S. Treasury Notes	7.625	2/15/07	1,000,000	977,500	1,001,300	7.800
U. S. Treasury Notes	7.000	11/15/81	2,000,000	2,005,000	2,025,625	6.983
U. S. Treasury Notes	7.875	11/15/82	2,000,000	1,996,724	2,096,250	7.888
U. S. Treasury Bonds	8.250	5/15/05	1,000,000	997,500	1,066,250	8.270
			9,000,000	8,975,848	9,202,425	

U. S. agencies -
Twelve Federal Land Banks

GNMA mortgage-backed securities -	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
Pool #5153	7.250	11/15/04	399,570	368,112	380,590	7.869
Pool #5903	7.250	2/15/05	851,905	791,912	811,439	7.799
Pool #7209	7.250	6/15/05	951,188	879,255	906,007	7.843
Pool #7638	7.250	8/15/05	412,436	383,383	392,845	7.799
Pool #8578	7.250	11/15/05	494,093	456,055	470,624	7.854
Pool #14296	7.500	2/15/07	996,766	951,911	964,059	7.853
Pool #14707	7.500	2/15/07	1,003,872	958,697	970,932	7.853
Pool #14699	7.500	3/15/07	1,497,903	1,437,987	1,448,753	7.813
Pool #16331	7.500	3/15/07	998,593	958,337	965,827	7.815
Pool #16487	7.500	3/15/07	1,019,573	981,977	986,119	7.787
Pool #16377	7.500	4/15/07	1,000,631	960,293	967,798	7.815
Pool #15864	7.500	5/15/07	499,657	481,232	483,262	7.787
Pool #17206	7.500	5/15/07	1,000,000	959,375	967,188	7.818
Pool #15969	7.500	6/15/07	2,000,000	1,900,000	1,934,375	7.895
Pool #16624	7.500	6/15/07	1,019,650	978,864	986,193	7.812
Pool #17515	7.500	6/15/07	1,024,507	982,886	990,890	7.818
Pool #18140	7.500	6/15/07	1,023,073	986,946	989,503	7.775
Pool #2905	8.000	4/15/04	4,480	4,555	4,480	7.867
Pool #5235	8.000	4/15/05	392,032	385,422	392,399	8.137
Pool #5818	8.000	6/15/05	481,008	472,893	481,459	8.137
Pool #6121	8.000	8/15/05	948,549	923,946	949,438	8.213
Pool #6538	8.000	8/15/05	448,176	440,620	448,596	8.137
Pool #9113	8.000	12/15/05	449,626	447,659	450,048	8.035
	8.800	10/21/85	8,750,000	8,829,922	9,526,563	8.672

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

UNITED STATES GOVERNMENT (continued):

GNMA mortgage-backed securities (continued) -

Balance brought forward

	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
Pool #11294	8.000	5/15/06	\$18,917,288	\$18,092,317	\$18,342,824	8.410
Pool #10039	8.000	6/15/06	905,982	915,608	906,831	8.279
Pool #10199	8.000	6/15/06	958,358	926,014	959,257	8.213
Pool #10652	8.000	6/15/06	976,241	950,920	977,157	8.213
Pool #11447	8.000	6/15/06	961,836	936,888	962,737	7.791
Pool #11548	8.000	7/15/06	5,752	5,907	5,752	7.950
Pool #10414	8.000	8/15/06	1,010,764	1,017,082	1,011,712	8.035
Pool #11537	8.000	9/15/06	982,813	978,513	983,735	7.968
Pool #12357	8.000	9/15/06	336	337	336	8.035
Pool #12569	8.000	9/15/06	1,002,705	998,318	1,003,645	8.013
Pool #13694	8.000	9/15/06	3,817	3,817	3,817	7.791
Pool #3985	8.500	11/15/06	629	646	629	8.267
Pool #4261	8.500	8/15/04	796,637	819,043	820,039	8.389
Pool #4347	8.500	9/15/04	990,652	1,003,655	1,019,753	8.288
Pool #5106	8.500	9/15/04	86,854	89,080	89,405	8.260
Pool #7460	8.500	2/15/05	775,521	798,060	798,302	8.405
Pool #7216	8.500	10/15/05	458,917	464,079	472,397	8.232
Pool #7723	8.500	11/15/05	936,084	966,506	963,581	8.405
Pool #6764	8.500	11/15/05	469,651	474,934	483,447	8.278
Pool #7057	8.500	12/15/05	473,916	486,653	487,838	8.232
Pool #7559	8.500	12/15/05	459,967	474,916	473,479	8.288
Pool #7966	8.500	12/15/05	920,840	944,437	947,890	8.232
Pool #5105	8.500	12/15/05	971,148	1,002,711	999,676	8.288
Pool #7760	8.500	1/15/06	94,316	96,733	97,087	8.288
Pool #6148	8.500	1/15/06	896,030	918,991	922,351	8.273
Pool #7474	8.500	2/15/06	995,278	1,022,648	1,024,514	8.288
Pool #7138	8.500	2/15/06	890,346	913,161	916,500	8.232
Pool #8017	8.500	3/15/06	475,590	491,047	489,560	8.278
Pool #8434	8.500	3/15/06	495,371	499,706	509,923	8.385
Pool #8817	8.500	3/15/06	948,982	974,486	976,859	8.426
Pool #10056	8.500	3/15/06	498,844	505,703	513,498	8.426
Pool #10404	8.500	4/15/06	495,781	500,119	510,344	8.066
Pool #10744	8.500	4/15/06	459,371	484,062	472,865	8.105
Pool #10738	8.500	4/15/06	982,198	1,030,080	1,011,050	8.321
		5/15/06	999,158	1,020,702	1,028,508	
Balance carried forward			41,297,973	40,807,873	41,187,298	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

UNITED STATES GOVERNMENT (continued):

GNMA mortgage-backed securities (continued) -

Balance brought forward

Pool #12368
Pool #5554
Pool #16900
Pool #17046

Interest rate	Maturity date	Par value	Cost	Market value	Net yield
8.500	8/15/06	237,952	250,741	244,941	8.066
8.500	2/15/07	1,880,217	1,928,398	1,935,448	8.288
8.500	2/15/07	497,985	509,189	512,613	8.313
8.500	3/15/07	2,496,063	2,553,785	2,569,385	8.308
		46,410,190	46,049,986	46,449,685	
		\$64,160,190	\$63,855,756	\$65,178,673	

OTHER BONDS, NOTES AND DEBENTURES:

Corporate notes and bonds -

Pacific Gas & Electric Co., 1st Ref.
Mtg. Series 75A
Montgomery Ward Credit Corp.
Peasey, J. C., Inc.
Diamond Shamrock Corp.
Pfizer, Inc.
Schio/BP Trans Alaska Pipeline
Pfizer, Inc.
Ashland Oil, Inc.
Exxon Corp.
Bankamerica Corp.
General Electric
Texas Power and Light
Commonwealth Edison
Mountain States Telephone
Illinois Bell Telephone
New Jersey Bell Tel.
Indiana Bell Telephone
Northwestern Bell Tel.
Southern Bell Telephone

Interest rate	Maturity date	Par value	Cost	Market value	Net yield
9.500	6/01/85	\$ 1,250,000	\$ 1,243,750	\$ 1,356,250	9.547
9.600	2/01/95	1,250,000	1,261,875	1,287,500	9.510
8.875	7/15/95	1,000,000	988,590	1,055,000	8.977
9.000	4/01/99	1,000,000	1,020,000	1,067,500	8.823
8.500	4/15/99	500,000	470,125	525,000	9.040
9.750	12/01/99	1,750,000	1,838,125	1,907,500	9.283
9.250	8/15/00	500,000	493,750	546,250	9.367
10.000	9/01/00	500,000	500,000	553,750	10.000
8.250	3/01/01	1,000,000	1,027,500	1,037,500	8.029
8.750	5/01/01	1,500,000	1,551,875	1,578,750	8.458
8.500	5/01/04	2,000,000	2,115,000	2,150,000	8.038
8.600	1/01/06	1,000,000	1,041,540	1,020,000	8.257
8.125	6/01/07	1,500,000	1,494,150	1,488,750	8.157
9.750	8/01/12	1,500,000	1,672,500	1,691,250	8.744
8.250	8/18/16	1,000,000	1,002,500	1,026,250	8.229
8.000	9/15/16	1,500,000	1,473,750	1,503,750	8.142
8.125	3/01/17	250,000	248,387	253,438	8.178
8.125	3/15/17	1,500,000	1,486,875	1,518,750	8.197
8.125	5/01/17	1,500,000	1,518,750	1,516,875	8.025
		22,000,000	22,449,042	23,084,063	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

OTHER BONDS, NOTES AND DEBENTURES (continued):

Short-term debt issues -

	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
G.M.A.C.	5.375	7/01/77	\$ 1,000,000	\$ 995,521	\$ 995,521	5.375
Montgomery Ward Co.	5.125	7/05/77	1,000,000	998,007	998,007	5.125
Ford Motor Credit Co.	5.250	7/11/77	1,100,000	1,094,867	1,094,867	5.250
Wells Fargo & Co.	5.300	7/18/77	920,000	915,801	915,801	5.300
Wells Fargo & Co.	5.300	7/22/77	1,170,000	1,164,832	1,164,832	5.300
Security Pacific National Bank	5.240	7/11/77	1,500,000	1,488,428	1,497,598	5.281
Bankers Acceptance			6,690,000	6,657,456	6,666,626	
Other -						
M.G.I.C. Mortgage Corporation	7.750	12/15/77	1,000,000	1,000,000	1,000,000	7.750
Alaska Electric Light & Power Co.	10.500	9/15/91	700,000	700,000	700,000	10.500
			1,700,000	1,700,000	1,700,000	
			\$30,390,000	\$30,806,498	\$31,450,682	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Shares</u>	<u>Cost</u>	<u>Market value</u>
COMMON STOCKS:			
Alcan Aluminum Ltd.	10,000	\$ 235,675	\$ 271,250
American Broadcasting	20,000	768,323	877,500
American Home Products	10,000	392,160	-287,500
American Hospital Supply	10,000	376,735	-251,250
Atlantic Richfield	14,000	693,222	847,000
Avon Products	10,000	412,691	505,000
Baker Intl. Corp.	12,000	537,397	634,500
Beatrice Foods Co.	20,000	482,208	495,000
Boeing Company	2,700	141,392	156,262
Boise Cascade Corp.	15,000	482,735	-420,000
Bucyrus-Erie Co.	10,000	244,500	225,000
CBS, Inc.	9,000	521,767	529,875
Continental Oil Co.	10,000	356,350	-338,750
Cooper Industries, Inc.	12,000	500,450	552,000
Dresser Industries, Inc.	3,000	128,475	137,250
DuPont E. I. DeNemours	1,200	201,825	-139,200
Exxon Corporation	15,000	689,181	802,500
Georgia-Pacific	20,400	558,764	637,500
Getty Oil Company	3,000	585,990	614,250
Harnischfeger Corp.	9,600	209,659	-208,800
Houston Industries	4,000	128,560	135,500
IBM	5,500	1,290,273	1,452,000
Kaiser Alu. & Chemical	6,000	217,140	223,500
Koppers Company	23,000	535,106	540,500
MGIC Investments	12,000	* 535,821	-190,500
Merck and Company	3,500	278,206	-195,125
Missouri Pacific Corp.	15,000	587,995	720,000
Montana Power Company	16,400	407,845	434,600
Owens-Corning Fiberglass	7,800	524,756	-523,575
Republic Steel Corp.	5,000	161,201	-140,000
Safeco Corporation	10,000	410,000	468,750
Schlumberger, Ltd.	4,500	278,197	308,250
Standard Oil Co. of California	10,000	387,250	417,500
Standard Oil Co. of Ohio	6,000	385,837	532,500
Stauffer Chemical Co.	6,500	312,650	-254,313
Sundstrand Corporation	20,000	697,682	815,001
Texas Instruments	1,500	193,299	-134,812
Union Pacific Corp.	16,000	793,215	916,000
Whirlpool Corporation	5,000	106,058	122,500
		<u>\$16,750,590</u>	<u>\$17,455,313</u>

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS:				
FHA mortgages serviced by -				
Alaska Mutual Savings Bank, Anchorage	6.75	\$ 89,750	\$ 84,356	7.07
Alaska Mutual Savings Bank, Anchorage	7.50	553,082	522,663	7.77
Alaska Mutual Savings Bank, Anchorage	8.50	105,364	105,364	8.00
Alaska National Bank of Fairbanks	7.50	99,094	99,094	7.13
Alaska National Bank of Fairbanks	8.00	273,241	273,241	6.63
Alaska National Bank of Fairbanks	8.50	292,084	288,287	8.30
Alaska State Bank, Anchorage	5.25	228,963	217,515	5.20
Alaska State Bank, Anchorage	6.00	345,562	332,327	6.00
Alaska State Bank, Anchorage	6.75	55,650	52,306	7.34
Alaska State Bank, Anchorage	7.00	1,580,275	1,497,310	7.34
Alaska State Bank, Anchorage	7.50	31,477	30,832	7.41
Alaska State Bank, Anchorage	7.50	436,419	416,039	7.41
Alaska State Bank, Anchorage	8.00	37,256	37,908	7.29
Alaska State Bank, Anchorage	8.50	176,589	186,301	7.48
Alaska State Bank, Anchorage	8.50	255,609	268,390	7.40
First National Bank of Anchorage	5.25	421,920	402,512	5.16
First National Bank of Anchorage	5.50	48,307	46,858	5.28
First National Bank of Anchorage	5.75	29,540	29,983	5.11
First National Bank of Anchorage	7.00	361,202	340,975	7.39
First National Bank of Anchorage	7.50	712,799	666,325	7.92
First National Bank of Anchorage	8.50	240,654	228,622	8.92
First National Bank of Anchorage	8.50	441,204	430,725	8.39
First National Bank of Anchorage	8.75	237,031	228,736	8.95
First National Bank of Anchorage	9.00	103,924	101,846	8.50
National Bank of Alaska, Anchorage	5.25	29,158	26,534	5.60
National Bank of Alaska, Anchorage	6.00	633,172	597,714	6.24
National Bank of Alaska, Anchorage	7.00	699,968	665,670	7.30
National Bank of Alaska, Anchorage	7.50	57,289	56,487	7.32
National Bank of Alaska, Anchorage	8.50	489,045	480,438	8.25
Rainier Mortgage Company, Anchorage	5.25	25,636	24,354	5.21
Rainier Mortgage Company, Anchorage	5.75	175,058	168,055	5.63
Rainier Mortgage Company, Anchorage	6.00	135,683	130,486	5.63
Rainier Mortgage Company, Anchorage	7.00	901,432	857,262	7.30
Rainier Mortgage Company, Anchorage	7.50	250,631	234,291	7.92
Washington Mortgage Company	7.00	929,096	854,768	7.87
		<u>11,483,164</u>	<u>10,984,574</u>	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net yield</u>
REAL ESTATE MORTGAGES AND				
SBA LOANS (continued):				
<u>Small business loans serviced by -</u>				
Alaska Mutual Savings Bank, Anchorage	9.50		\$ 270,019	9.00
Alaska State Bank, Anchorage	11.00		6,629	10.30
Alaska State Bank, Anchorage	10.50		136,546	10.00
Alaska State Bank, Anchorage	10.25		47,703	9.75
Alaska State Bank, Anchorage	9.00		18,414	8.50
Alaska State Bank, Anchorage	8.00		129,550	7.50
Alaska State Bank, Anchorage	10.50		342,544	10.18
First National Bank of Ketchikan	9.75		307,438	9.38
First National Bank of Ketchikan	11.50		181,314	11.00
National Bank of Alaska, Anchorage	10.50		1,259,629	10.00
National Bank of Alaska, Anchorage	10.00		179,135	9.50
National Bank of Alaska, Anchorage	9.75		186,832	9.25
National Bank of Alaska, Anchorage	9.50		294,746	9.00
National Bank of Alaska, Anchorage	8.75		152,939	8.25
National Bank of Alaska, Anchorage	8.00		1,548,605	7.50
Peoples Bank & Trust Company, Anchorage	9.25		301,987	8.75
Peoples Bank & Trust Company, Anchorage	9.00		49,080	8.50
Peoples Bank & Trust Company, Anchorage	8.00		460,887	7.50
			<u>5,893,997</u>	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by -				
Alaska Bank of Commerce	9.50		\$ 116,258	9.50
Alaska Bank of Commerce	9.50		580,236	10.75
Alaska Bank of Commerce	10.50		1,428,146	10.44
Alaska Federal Savings and Loan, Juneau	9.25		560,262	8.94
Alaska Federal Savings and Loan, Juneau	10.00		96,230	9.81
Alaska Mutual Savings Bank, Anchorage	10.375		103,226	10.19
Alaska Mutual Savings Bank, Anchorage	10.00		74,701	9.69
Alaska Mutual Savings Bank, Anchorage	9.75		221,999	9.44
Alaska Mutual Savings Bank, Anchorage	9.625		240,763	9.31
Alaska Mutual Savings Bank, Anchorage	9.375		451,905	9.06
Alaska Mutual Savings Bank, Anchorage	10.75		469,943	10.50
Alaska Mutual Savings Bank, Anchorage	10.50		82,159	10.19
Alaska Mutual Savings Bank, Anchorage	10.50		518,661	10.07
Alaska Mutual Savings Bank, Anchorage	10.375		75,151	10.06
Alaska Mutual Savings Bank, Anchorage	10.25		168,640	9.94
Alaska Mutual Savings Bank, Anchorage	10.25		99,788	10.06
Alaska Mutual Savings Bank, Anchorage	10.00		491,216	9.69
Alaska Mutual Savings Bank, Anchorage	9.75		338,464	9.44
Alaska Mutual Savings Bank, Anchorage	9.50		465,110	9.19
Alaska Mutual Savings Bank, Anchorage	9.375		431,865	9.06
Alaska Mutual Savings Bank, Anchorage	10.50		536,771	10.31
Alaska National Bank, Fairbanks	10.75		150,825	10.44
Alaska National Bank, Fairbanks	10.50		97,302	10.19
Alaska National Bank, Fairbanks	10.50		175,500	10.31
Alaska National Bank, Fairbanks	10.00		149,484	9.69
Alaska National Bank, Fairbanks	10.00		341,392	9.81
Alaska National Bank, Fairbanks	9.75		607,079	9.44
Alaska National Bank, Fairbanks	9.625		78,096	9.31
Alaska National Bank, Fairbanks	9.625		121,642	9.44
Alaska National Bank, Fairbanks	9.50		1,694,021	9.19
Alaska National Bank, Fairbanks	9.375		2,654,238	9.06
Alaska National Bank, Fairbanks	9.25		912,045	8.94
Alaska National Bank, Fairbanks	12.00		212,441	12.00
Alaska National Bank, Fairbanks	11.50		80,732	11.19
Alaska National Bank, Fairbanks	11.50		383,941	11.31
Alaska National Bank, Fairbanks	11.00		157,391	11.00
Balance carried forward			15,367,623	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net yield</u>
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			\$15,367,623	
Alaska National Bank, Fairbanks	10.50		2,259,590	10.31
Alaska National Bank, Fairbanks	10.00		139,132	9.69
Alaska National Bank, Fairbanks	9.75		380,546	9.44
Alaska National Bank, Fairbanks	9.50		80,034	9.19
Alaska National Bank, Fairbanks	10.50		97,053	10.44
Alaska National Bank, Fairbanks	10.50		197,706	10.31
Alaska National Bank, Fairbanks	11.00		525,000	11.00
Alaska National Bank, Fairbanks	10.50		481,840	10.31
Alaska National Bank, Fairbanks	12.00		1,000,000	12.00
Alaska National Bank, Fairbanks	10.00		261,739	9.69
Alaska Pacific Bank	10.00		266,730	9.81
Alaska Pacific Bank	9.75		76,576	9.44
Alaska Pacific Bank	9.60		385,518	9.29
Alaska Pacific Bank	9.50		1,202,825	9.19
Alaska Pacific Bank	9.375		454,631	9.06
Alaska Pacific Bank	11.00		255,073	10.81
Alaska Pacific Bank	10.50		75,809	10.19
Alaska Pacific Bank	10.50		339,375	10.31
Alaska Pacific Bank	10.25		112,337	10.06
Alaska Pacific Bank	9.875		59,717	9.56
Alaska Pacific Bank	9.50		74,551	9.19
Alaska Pacific Bank	9.375		74,924	9.06
Alaska Pacific Bank	11.00		841,979	10.69
Alaska State Bank, Anchorage	10.75		211,998	10.44
Alaska State Bank, Anchorage	10.75		147,871	10.56
Alaska State Bank, Anchorage	10.50		247,866	10.19
Alaska State Bank, Anchorage	10.50		301,126	10.31
Alaska State Bank, Anchorage	10.25		207,085	10.06
Alaska State Bank, Anchorage	10.00		336,294	9.69
Alaska State Bank, Anchorage	10.00		217,003	9.81
Alaska State Bank, Anchorage	9.75		834,343	9.44
Balance carried forward			27,513,894	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net yield</u>
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages served by (continued) -				
Balance brought forward			\$27,513,894	
Alaska State Bank, Anchorage	9.625		179,150	9.31
Alaska State Bank, Anchorage	9.50		1,932,638	9.19
Alaska State Bank, Anchorage	9.50		100,000	9.31
Alaska State Bank, Anchorage	9.375		1,749,254	9.06
Alaska State Bank, Anchorage	9.375		108,000	9.06
Alaska State Bank, Anchorage	10.50		90,000	10.19
Alaska State Bank, Anchorage	10.50		442,140	10.31
Alaska State Bank, Anchorage	10.25		143,691	10.06
AMFAC Mortgage Company	11.00		512,207	10.75
AMFAC Mortgage Company	10.50		83,350	10.44
Arctic First Federal Savings and Loan, Fairbanks	12.50		775,033	12.31
Arctic First Federal Savings and Loan, Fairbanks	10.75		906,715	10.50
First National Bank of Anchorage	10.75		408,396	10.56
First National Bank of Anchorage	10.50		477,468	10.19
First National Bank of Anchorage	10.50		215,715	10.31
First National Bank of Anchorage	10.25		208,802	9.94
First National Bank of Anchorage	10.25		490,260	10.06
First National Bank of Anchorage	10.00		849,748	9.69
First National Bank of Anchorage	10.00		581,646	9.81
First National Bank of Anchorage	9.75		1,341,548	9.44
First National Bank of Anchorage	9.75		130,436	9.56
First National Bank of Anchorage	9.625		440,269	9.31
First National Bank of Anchorage	9.50		2,629,885	9.19
First National Bank of Anchorage	9.375		812,443	9.06
First National Bank of Anchorage	9.00		50,086	9.06
First National Bank of Anchorage	12.00		90,682	11.69
First National Bank of Anchorage	12.00		156,737	11.75
First National Bank of Anchorage	11.00		827,934	10.81
First National Bank of Anchorage	10.75		485,439	10.56
Balance carried forward			44,733,566	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			\$44,733,566	
First National Bank of Anchorage	10.50		38,667	10.19
First National Bank of Anchorage	10.50		599,212	10.19
First National Bank of Anchorage	10.25		195,274	10.06
First National Bank of Anchorage	10.25		96,875	10.25
First National Bank of Anchorage	9.75		57,516	9.44
First National Bank of Anchorage	9.50		78,766	9.19
First National Bank of Anchorage	9.375		87,244	9.06
First National Bank of Anchorage	9.25		363,025	8.94
First National Bank of Anchorage	11.00		127,667	10.81
First National Bank of Ketchikan	10.50		41,847	10.19
First National Bank of Ketchikan	10.25		286,684	9.94
First National Bank of Ketchikan	10.00		329,203	9.69
First National Bank of Ketchikan	9.75		749,713	9.44
First National Bank of Ketchikan	9.50		110,728	9.19
First National Bank of Ketchikan	9.375		152,323	9.06
Home Federal Savings and Loan, Anchorage	10.75		81,556	10.44
Home Federal Savings and Loan, Anchorage	10.50		433,411	10.11
Home Federal Savings and Loan, Anchorage	10.50		459,966	10.31
Home Federal Savings and Loan, Anchorage	10.25		119,439	9.91
Home Federal Savings and Loan, Anchorage	10.25		137,477	10.01
Home Federal Savings and Loan, Anchorage	10.00		783,225	9.61
Home Federal Savings and Loan, Anchorage	10.00		425,973	9.81
Home Federal Savings and Loan, Anchorage	9.75		281,142	9.41
Home Federal Savings and Loan, Anchorage	9.625		548,290	9.31
Home Federal Savings and Loan, Anchorage	9.50		984,743	9.11
Home Federal Savings and Loan, Anchorage	11.00		367,082	10.81
Home Federal Savings and Loan, Anchorage	10.75		89,880	10.41
Home Federal Savings and Loan, Anchorage	10.75		108,980	10.41
Home Federal Savings and Loan, Anchorage	10.50		129,194	10.11
Home Federal Savings and Loan, Anchorage	10.50		139,991	10.31
Home Federal Savings and Loan, Anchorage	10.25		547,500	10.11
Balance carried forward			53,686,139	

STATE OF ALASKA
PUBLIC EMPLOYEES RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net yield</u>
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			\$53,686,159	
Peoples Mortgage Company	10.50		216,750	10.31
Peoples Mortgage Company	10.25		675,000	10.19
Security National Bank, Anchorage	11.50		127,377	11.25
Security National Bank, Anchorage	11.00		497,821	10.81
Security National Bank, Anchorage	10.50		274,013	10.31
Security National Bank, Anchorage	10.25		74,537	9.94
Security National Bank, Anchorage	10.00		305,510	9.69
Security National Bank, Anchorage	10.00		131,763	9.81
Security National Bank, Anchorage	9.75		419,180	9.44
Security National Bank, Anchorage	9.50		483,499	9.19
Security National Bank, Anchorage	9.375		145,511	9.06
Security National Bank, Anchorage	9.25		428,879	8.94
Security National Bank, Anchorage	11.00		147,804	10.81
Security National Bank, Anchorage	10.50		237,308	10.31
			<u>57,851,111</u>	
			<u>\$74,729,682</u>	

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Investment Summary
June 30, 1977

	<u>Cost Value</u>	<u>Market Value</u>
Cash:		
Savings Deposits	\$ 3,331,940	\$ 3,331,940
Short Term Debt Issues:		
Banker Acceptances	1,488,428	1,497,598
Savings Certificates	764,000	765,336
Total Short Term Debt Issues	<u>\$ 2,252,428</u>	<u>\$ 2,262,934</u>
Fixed Income Marketable Issues:		
U.S. Agency Securities	\$ 54,879,908	\$ 55,976,248
U.S. Treasury Notes and Bonds	4,999,224	5,188,125
Corporate Notes and Bonds	22,449,042	23,214,462
Private Placements	1,700,000	1,700,000
Total Fixed Income Marketable Issues	<u>\$ 84,028,174</u>	<u>\$ 86,078,835</u>
Loans and Mortgages:		
FHA	\$ 10,984,574	\$ 10,593,440
Small Business	5,893,997	5,781,188
Conventional	57,851,111	59,576,981
Total Loans and Mortgages	<u>\$ 74,729,682</u>	<u>\$ 75,951,609</u>
Common Stock Account:		
Cash	\$ 182,187	\$ 182,187
Short Term Debt Issues	5,169,028	5,169,028
Fixed Income Issues	3,976,624	4,014,300
Common Stock	16,750,590	17,455,313
Total Common Stock Account	<u>\$ 26,078,429</u>	<u>\$ 26,820,828</u>
Total Investments	<u>\$190,420,653</u>	<u>\$194,446,146</u>

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1977	June 30, 1976
Beginning Equities and Reserves	\$141,988,644	\$107,556,336
Additions:		
Employees' Contributions Including Interest:		
Alaska Central Railbelt	\$ 21,193	\$ 3,229
Alaska Housing Finance Corporation	9,257	3,598
Alaska Municipal League	3,295	8,273,193
Alaska, State of	8,973,734	676,512
Alaska, University of	929,363	73,006
Alaska, University of, Geophysical Institute	98,028	551,113
Alaska Unorganized Borough Schools	(281,644)	
Aleutian Region School District	16,626	
Anchorage Borough Schools	845,590	844,370
Anchorage, City of	853,977	779,899
Anchorage, Greater Area Borough	1,079,098	819,441
Annette Island School	24,793	
Bering Straits School	34,298	
Bethel, City of	1,547	2,699
Bristol Bay Borough	10,085	4,093
Bristol Bay Regional Resource Center	190	
Chatham School District	10,354	
Chugach Regional School	1,441	
Copper River School	31,872	
Cordova, City of	23,226	36,891
Cordova Community Hospital	30,023	
Delta Junction, City of	3,587	1,749
Fairbanks, City of	385,588	355,635
Fairbanks Public Utilities	147,430	115,818
Galena City Schools	2,478	2,218
Gateway Borough	28,717	25,884
Haines, City of	9,806	11,913
Hoonah City Schools	9,678	8,479
Iditarod Area School	7,537	
Juneau, City and Borough of	283,303	265,899
Juneau Borough Schools	72,780	64,666
Kenai, City of	48,396	32,692
King Cove, City of	1,022	1,488
King Cove City Schools	2,323	2,052
Kodiak, City of	61,672	62,618
Kodiak Island Borough School	33,806	
Kotzebue, City of	7,601	8,930
Kuspuk School District	13,622	
Lake & Peninsula School	17,588	
Lower Kuskokwim School District	86,821	
Lower Yukon School District	25,389	

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1977	June 30, 1976
Additions - Continued:		
Employees' Contributions - Continued:		
Matanuska Susitna Borough	\$ 47,102	\$ 39,335
Matanuska Susitna Borough Schools	64,236	38,440
Nome City Schools	21,430	17,216
Nome Municipal Utilities	63,521	45,699
North Slope Borough	63,174	33,704
North Slope Borough School District	90,051	
North Star Borough	129,589	87,551
North Star Borough Schools	246,836	279,152
Northwest Arctic Schools	103,728	
Northwest Regional Resource Center	389	
Petersburg, City of	48,837	37,334
Pribilof Region Schools	6,798	
Selawik School District	7,173	15,550
Sitka, City and Borough of	81,569	75,327
Sitka Community Hospital	26,738	
Sitka Borough School District	26,313	23,798
Skagway, City of	10,895	7,577
Soldotna, City of	8,130	2,001
Southcentral Regional Resource Center	884	
Southeast Island Schools	4,801	
Southeast Regional Resource Center	915	
Southwest Regional School District	48,803	
Valdez, City of	53,204	42,852
Valdez City Schools	12,909	11,849
Wrangell, City of	28,052	24,291
Wrangell School District	3,560	3,126
Yukon Flats School	35,918	
Yukon-Koyukuk School	37,782	
Less Interest Credited to Employees	(1,842,395)	(1,464,813)
Total Employees' Contributions	\$13,396,432	\$ 12,348,074
Employers' Contributions:		
Alaska Central Railbelt	23,018	
Alaska Housing Finance Corporation	19,699	6,157
Alaska Municipal League	10,946	5,662
Alaska, State of	20,936,847	12,372,734
Alaska, University of	1,816,362	1,375,700
Alaska, University of, Geophysical Institute	159,895	120,029
Alaska Unorganized Borough Schools	36,637	495,828

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1977	June 30, 1976
Additions - Continued:		
Employers' Contributions - Continued:		
Aleutian Region School District	14,340	
Anchorage Borough Schools	\$1,731,662	\$1,281,694
Anchorage, City of	2,551,167	2,471,642
Anchorage, Greater Area Borough	2,300,408	1,385,292
Annette Island School	18,808	
Bering Straits School	33,954	
Bethel, City of	6,337	3,820
Bristol Bay Borough	8,850	7,204
Bristol Bay Regional Resource Center	391	
Chatham School District	4,985	
Chugach Regional School	2,780	
Copper River School	34,864	
Cordova, City of	71,178	65,410
Cordova Community Hospital	24,556	
Delta Junction, City of	9,063	1,979
Fairbanks, City of	845,511	685,083
Fairbanks Public Utilities	293,876	234,884
Galena City Schools	4,397	3,272
Gateway Borough	48,652	39,704
Haines, City of	18,012	16,810
Hoonah City Schools	24,461	14,649
Iditarod Area School	12,990	
Juneau, City and Borough of	617,950	488,931
Juneau Borough Schools	169,723	87,962
Kenai, City of	85,661	72,300
King Cove, City of	2,294	3,352
King Cove City Schools	4,981	1,675
Kodiak, City of	141,093	115,584
Kodiak Island Borough School	126,781	
Kotzebue, City of	22,184	15,530
Kuspuk School District	22,039	
Lake & Peninsula School	15,528	
Lower Kuskokwim School District	100,890	
Lower Yukon School District	39,955	
Matanuska Susitna Borough	96,873	67,690
Matanuska Susitna Borough Schools	134,555	63,058
Nome City Schools	59,686	43,693
Nome Municipal Utilities	125,910	87,870
North Slope Borough	114,337	54,510
North Slope Borough School District	175,431	
North Star Borough	250,371	159,485
North Star Borough Schools	527,715	418,557
Northwest Arctic Schools	137,405	
Northwest Regional Resource Center	796	
Petersburg, City of	103,073	84,758
Pribilof Region Schools	10,526	

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1977	June 30 1976
Additions - Continued:		
Employers' Contributions - Continued:		
Selawik School District	\$ 116,152	\$ 20,29
Sitka, City and Borough of	182,051	142,49
Sitka Community Hospital	47,886	
Sitka Borough School District	67,376	47,82
Skagway, City of	18,195	11,29
Soldotna, City of	12,233	4,15
Southcentral Regional Resource Center	2,071	
Southeast Island Schools	8,114	
Southeast Regional Resource Center	1,829	
Southwest Regional School District	41,328	
Valdez, City of	88,835	56,661
Valdez City Schools	27,192	21,885
Wrangell, City of	55,263	44,648
Wrangell School District	13,012	10,791
Yukon Flats School	16,218	
Yukon-Koyukuk School	33,024	
Total Employers' Contributions	\$ 34,881,182	\$ 22,712,558
Interest Earned on Reinstatements	\$ 42,106	\$ 21,464
Net Investment Income 1)	12,602,465	8,367,857
Total Additions	\$ 60,922,185	\$ 43,449,953
Total Equities, Reserves and Additions	\$202,910,829	\$151,006,289
Deductions:		
Administrative Expenses:		
Personal Services	\$ 253,031	\$ 192,220
Travel	11,864	9,009
Contractual Services	96,523	83,092
Commodities	2,368	2,015
Equipment	1,661	2,448
Inter-Agency Services	166,900	127,600
Total Administrative Expenses	\$ 532,347	\$ 416,384
Employees' Contributions and Interest Refunded	\$ 3,816,748	\$ 3,758,719
Retirement Benefits Paid	\$ 7,607,162	\$ 4,842,542
Total Deductions	\$ 11,956,257	\$ 9,017,645
Ending Equities and Reserves	\$190,954,572	\$141,988,644

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Footnotes to Comparative Statement of Operations

1) Schedule of Net Investment Income for Fiscal Year ended June 30, 1977.

Interest Income	\$11,945,883
Gain/(loss) on Sale of Securitites	<u>656,582</u>
Total Net Investment Income	<u>\$12,602,465</u>

STATE OF ALASKA
PUBLIC EMPLOYEES' RETIREMENT FUND
Analysis of Cash

General Ledger Cash on 6/30/77	\$ 632,104.99
Adjusted as of 8/31/77	
Less Auditors' Adjustments	<u>98,186.00</u>
Sub-Total	\$ 533,918.99
Add Cash in Trustee Common Stock Account	<u>44,558.00</u>
Annual Report Cash Balance	<u>\$ 578,476.99</u>

MERCER

Benefit Services / Consulting Actuaries

October 11, 1977

Mr. B. B. Allen
Commissioner of Administration
State of Alaska
Department of Administration
Pouch CR
Juneau, Alaska 99811

Actuarial Status - Alaska Public Employees' Retirement System

Dear Commissioner Allen:

This is a brief statement to outline the actuarial status of the Alaska Public Employees' Retirement System. The actuarial valuation which we perform each year has the following objectives:

- (1) To examine the status of funding of the System.
- (2) To develop contribution rates for each participating employer in the System which are adequate to support the benefits of the System.

The actuarial valuation of the Alaska Public Employees' Retirement System as of December 31, 1976 is based upon actuarial assumptions and methods which are identical to those used in the prior valuation. The more significant results are as follows:

Contribution Rates

Contribution rates as a percent of earnings have increased slightly, primarily due to greater than anticipated salary increases. The following table summarizes these rates.

--- Valuation Date ---		
	<u>12-31-75</u>	<u>12-31-76</u>
(1) Consolidated Rate	9.43%	9.90%
(2) Average Past Service Rate	<u>1.97%</u>	<u>1.89%</u>
(3) Average Total Contribution Rate	11.40%	11.79%

Mr. B. B. Allen
Page Two
October 11, 1977

Funding Progress

One of the best measures of a pension plan's funding progress is the growth of assets relative to the present value of accrued benefits. The greater-than-assumed investment yield of the fund during 1976 more than offset the effect of rapid growth in salaries during the year, thus leading to an increase in the accrued benefit funding ratio.

	--- Valuation Date ---	
	<u>12-31-75</u>	<u>12-31-76</u>
(1) Valuation Assets	\$119,860,568	\$159,121,540
(2) Present Value of Accrued Benefits	196,992,761	246,981,544
(3) Accrued Benefit Funding Ratio	60.8%	64.4%

A more complete analysis appears in the actuarial valuation report. In summary, it is our opinion that the funding progress of the System is satisfactory and the contribution levels are sufficient to support the benefits of the System.

Sincerely,

Robert F. Richardson

Robert F. Richardson, MAAA
Assistant Vice President

RFR:jn

ACTUARIAL BASIS

Valuation of Liabilities

- A. Actuarial Method - Attained Age Normal, also known as Aggregate Method with Supplemental Liability. The unfunded accrued benefit liability is amortized over 35 years.
- B. Actuarial Assumptions -
- | | |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Interest | 5% per annum, compounded annually, net of investment expenses. |
| (2) Salary Scale | 5% per annum, compounded annually. |
| (3) Mortality | 1951 Group Annuity Mortality Table with Projection "C" to 1965. |
| (4) Turnover | Based upon actual total turnover experience. (See Table 1.) |
| (5) Disability | Incidence rates in accordance with Table 2. Post-disability mortality in accordance with the 1944 Railroad Retirement experience rates. 80% of the disabilities are assumed to be occupational for police and fire; 20% for others. |
| (6) Retirement Age | Later of age 55 and 20 years for police and fire; age 55 and 30 years of service for others. |
| (7) Contribution Refunds | 90% of terminating employees will take their contributions; 10% will leave their contributions and receive their deferred vested benefit. |
| (8) Expenses | No loading for expenses. |

Valuation of Assets - Book Value

TABLE 1
STATE OF ALASKA
VALUATION TURNOVER RATES

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.3274	.3753
21	.2782	.3490
22	.2408	.3290
23	.2334	.3254
24	.2151	.3162
25	.1917	.3041
26	.1690	.2916
27	.1528	.2814
28	.1510	.2792
29	.1465	.2734
30	.1408	.2652
31	.1351	.2560
32	.1309	.2471
33	.1303	.2435
34	.1289	.2342
35	.1269	.2218
36	.1248	.2087
37	.1229	.1973
38	.1223	.1937
39	.1207	.1845
40	.1185	.1725
41	.1161	.1603
42	.1140	.1505
43	.1132	.1480
44	.1112	.1416
45	.1081	.1335
46	.1060	.1257
47	.1041	.1200
48	.1038	.1192
49	.1025	.1173
50	.1021	.1150
51	.1012	.1128
52	.1006	.1115
53	.1004	.1112
54	.0996	.1108
55	.0997	.1107
56	.0999	.1114
57	.1009	.1135
58	.1011	.1156
59	.1022	.1208
60	.1047	.1277

TABLE 2
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OF ALASKA

Disability Rates

All Employees

Annual Rates Per 1,000 Employees

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.70	45	1.62
21	.71	46	1.76
22	.72	47	1.91
23	.73	48	2.07
24	.74	49	2.23
25	.75	50	2.40
26	.76	51	2.60
27	.78	52	2.86
28	.80	53	3.18
29	.82	54	3.55
30	.84	55	4.00
31	.86	56	4.59
32	.88	57	5.34
33	.90	58	6.10
34	.93	59	7.20
35	.96	60	8.43
36	.99	61	9.75
37	1.03	62	11.30
38	1.07	63	13.05
39	1.11	64	14.90
40	1.15		
41	1.20		
42	1.27		
43	1.36		
44	1.48		

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND

Historical Data

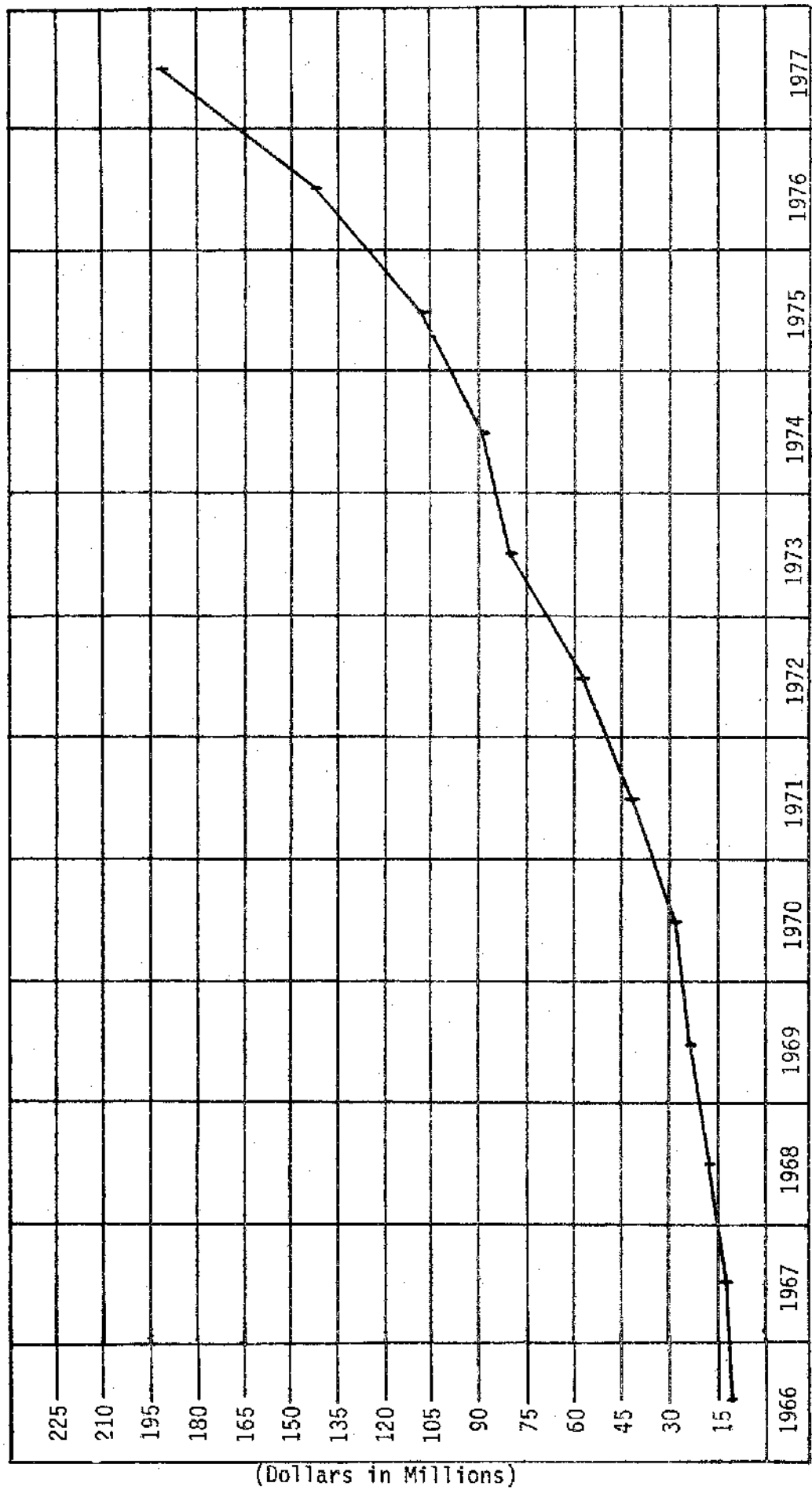
Fiscal Years 1965 through 1977

(cents omitted)

Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1965	\$ 8,127,439	\$ 1,418,567	\$ 668,626	\$ 42,714	\$ 233,321	\$ 263,758
1966	10,799,627	1,650,980	700,891	45,142	277,582	390,773
1967	13,127,498	1,580,520	567,799	54,620	359,975	560,279
1968	16,179,278	2,459,200	597,580	72,767	704,463	675,866
1969	22,497,780	3,854,514	1,917,650	139,360	410,490	1,035,935
1970	29,293,897	2,763,176	2,728,332	200,236	561,178	1,687,211
1971	41,444,559	7,408,647	3,568,932	315,390	882,218	1,756,740
1972	57,285,001	9,957,962	4,677,640	565,551	1,144,434	3,252,779
1973	80,116,285	15,269,037	6,636,276	1,120,276	1,643,831	3,345,726
1974	89,606,549	9,439,931	6,805,053	1,714,642	2,334,265	2,270,806
1975	107,556,336	13,435,344	8,449,474	2,810,321	3,163,052	2,365,398
1976	141,988,644	22,712,558	12,348,074	4,842,542	3,758,719	8,367,857
1977	190,954,572	34,881,182	13,438,538	7,607,162	3,816,748	12,602,465

STATE OF ALASKA

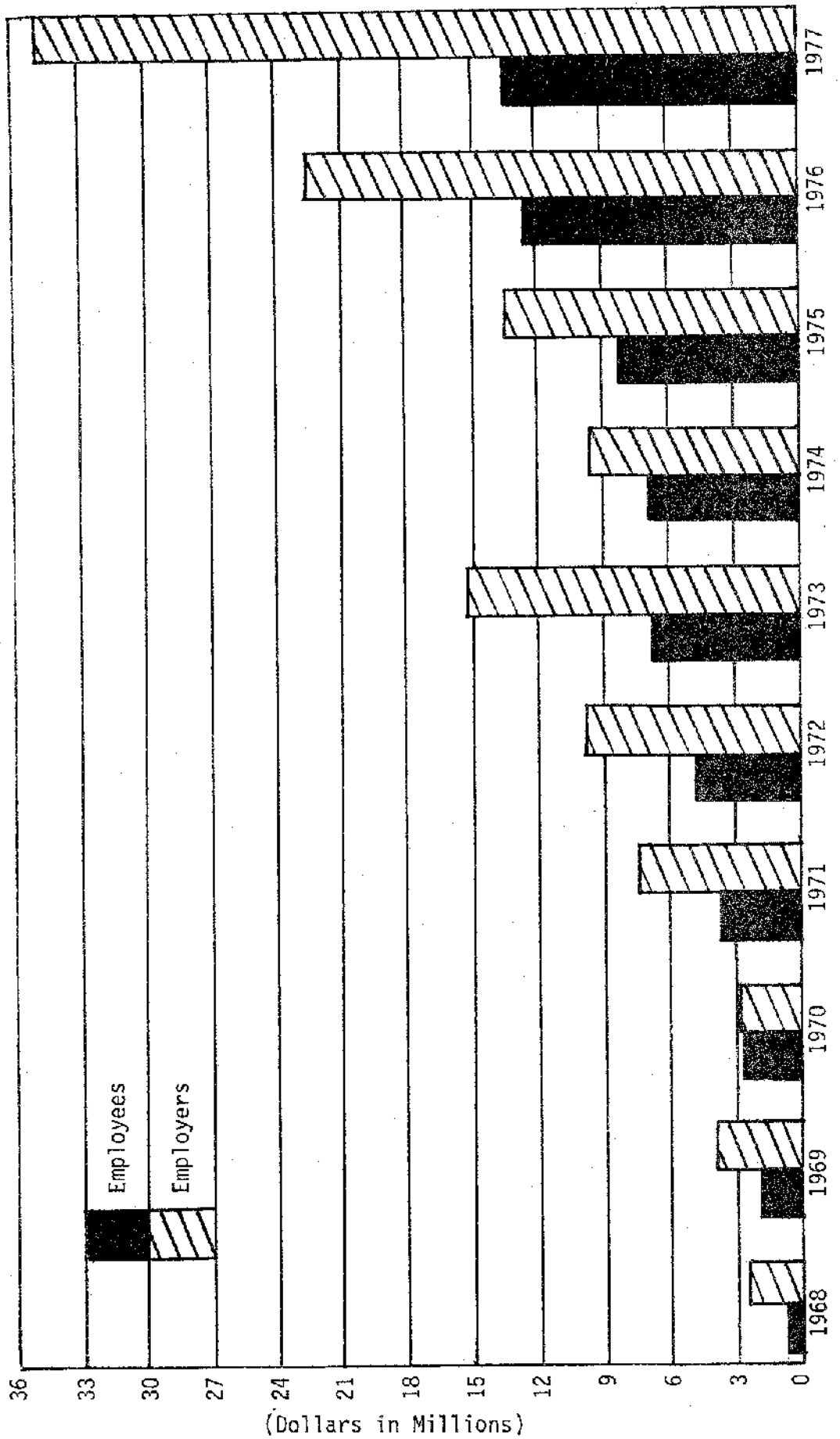
PUBLIC EMPLOYEES' RETIREMENT FUND
Total Assets
Fiscal Years 1966 through 1977



(Dollars in Millions)

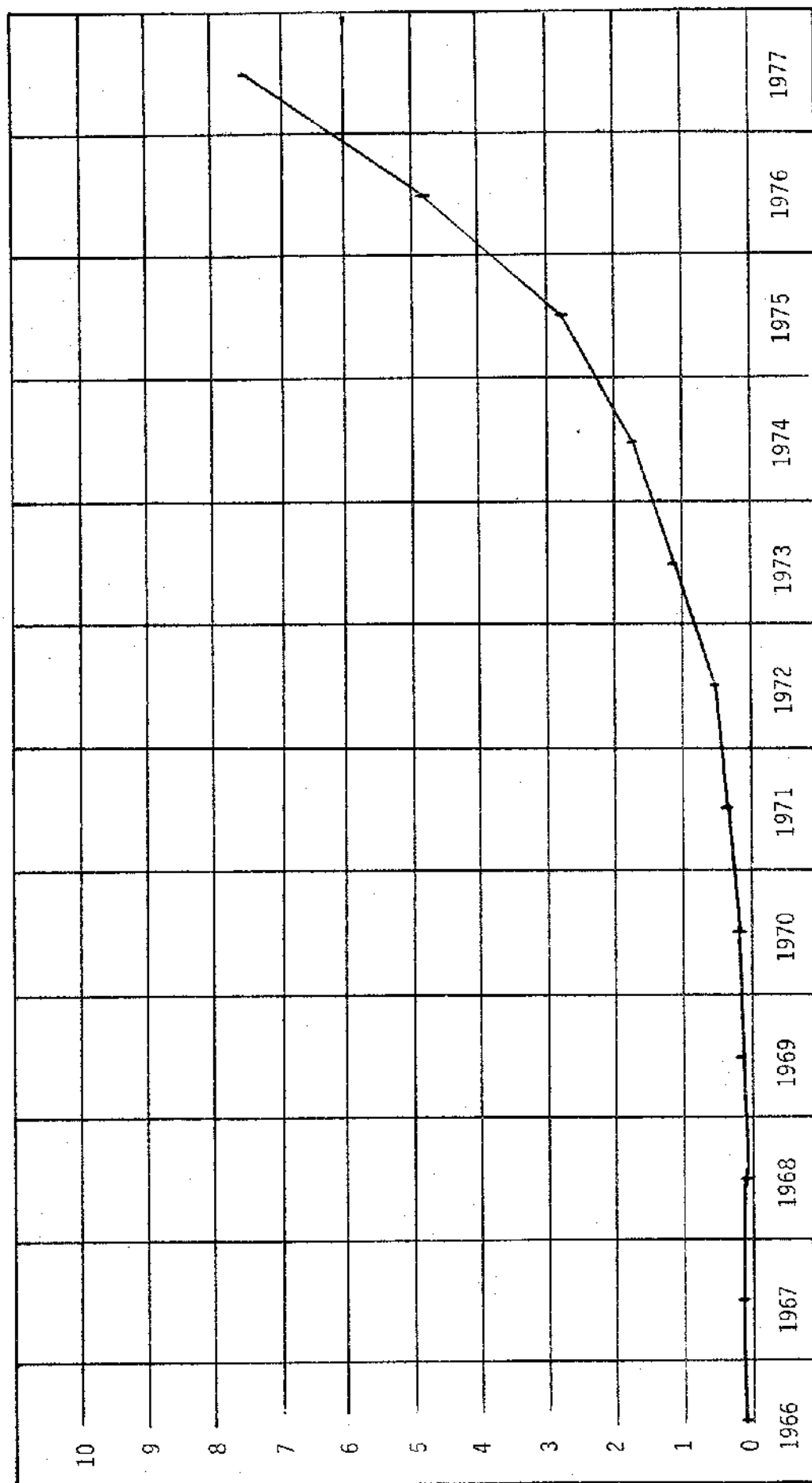
STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND Employees' and Employers' Contributions Fiscal Years 1968 through 1977



STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND Benefits Paid Fiscal Years 1966 through 1977



(Dollars in Millions)

STATE OF ALASKA

PUBLIC EMPLOYEES' RETIREMENT FUND
Employer Contribution Rates
Fiscal Year 1977

<u>Employer</u>	<u>Percentage</u>
Alaska Central Railbelt School District	10.37
Alaska Housing Finance Corporation	10.37
Alaska Municipal Leagues	17.41
Alaska, State of	11.18
Alaska, University of	9.38
Alaska, University of, Geophysical Institute	9.38
Aleutian Region School District	10.37
Anchorage Borough School District	10.48
Anchorage, City of	11.18
Anchorage, Greater Borough	11.18
Annette Island School District	10.37
Bering Straits School District	10.37
Bethel, City of	9.54
Bristol Bay Borough	9.00
Bristol Bay Regional Resource Center	8.88
Chatham School District	10.37
Chugach Regional School District	10.37
Copper River School District	10.37
Cordova, City of	9.92
Cordova Community Hospital	9.92
Delta Junction, City of	8.88
Fairbanks (Includes City and Utilities)	12.19
Galena, City Schools	8.88
Haines, City of	8.80
Hoonah, City Schools	11.79
Iditarod Area School District	10.37
Juneau (Borough and City)	9.90
Juneau Borough School District	9.90
Kenai, City of	8.98
Ketchikan, Gateway Borough	8.77
King Cove, City of	8.88
King Cove City School District	8.88
Kodiak, City of	11.09
Kodiak Island School District	10.53
Kotzebue, City of	8.99
Kuspuk School District	10.37
Lake and Peninsula School District	10.37
Lower Kuskokwim School District	10.37
Lower Yukon School District	10.37
Matanuska-Susitna Borough (Includes School District)	11.59
Nome, City of	9.86
Nome City Schools	12.75
North Slope Borough	9.13
North Slope Borough School District	9.30
North Star Borough (Includes School District)	9.74
Northwest Arctic School District	10.37
Northwest Regional Resource Center	8.88

Employer Contribution Rates (cont.)
Fiscal Year 1977

<u>Employer</u>	<u>Percentage</u>
Petersburg, City of	11.17
Pribilof Region School District	10.37
Selawik City School District	8.98
Sitka, City and Borough (Includes School District)	11.57
Sitka Community Hospital	11.57
Skagway, City of	9.69
Soldotna, City of	9.47
Southcentral Regional Resource Center	10.37
Southeast Islands School District	10.37
Southeast Regional Resource Center	10.37
Southwest Regional Resource Center	10.37
Valdez, City of	10.61
Valdez, City Schools	9.32
Wrangell, City of	10.14
Wrangell City Schools	16.92
Yukon Flats School District	10.37
Yukon Koyukuk School District	10.37

STATE OF ALASKA

TEACHERS'
RETIREMENT
FUND

BOARD MEMBERS

Name

Term Expires

Jerome W. Norum, Chairman

January 31, 1979

Paul W. Bowen

January 31, 1978

Jean A. Johnson

July 31, 1978

Merritt C. Olson

January 31, 1980

Leah J. Peterson

July 1, 1978

September 16, 1977

Board of Directors
State of Alaska
Teachers Retirement System
Juneau, Alaska

We have examined the statements of assets and equity arising from cash transactions of the State of Alaska Teachers Retirement System as of June 30, 1977 and 1976, and the related statements of changes in equity arising from cash transactions for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Cash and investment accounts at June 30, 1977 and 1976 were confirmed by direct communication with the depositaries, custodians and servicing financial institutions.

As described in Note A, the System's policy is to prepare its financial statements on the basis of cash receipts and disbursements. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly the assets and equity arising from cash transactions of the State of Alaska Teachers Retirement System as of June 30, 1977 and 1976, and the changes in equity arising from cash transactions for the years then ended, on the basis of accounting described in Note A, which basis has been consistently applied.

Touche Ross & Co.

Certified Public Accountants

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

STATEMENTS OF ASSETS AND EQUITY
ARISING FROM CASH TRANSACTIONS

	<u>June 30,</u>	
	<u>1977</u>	<u>1976</u>
<u>ASSETS</u>		
Cash	\$ 3,880,978	\$ 1,759,647
Certificates of deposit and savings account	5,543,992	3,043,159
Bonds, notes and debentures:		
United States Government, at cost		
(market \$64,519,972 in 1977,		
\$43,819,952 in 1976)	63,327,153	43,707,899
Other, at cost (market \$23,966,688		
in 1977, \$35,977,801 in 1976)	23,323,963	35,993,587
Common stocks, at cost (market \$23,308,125		
in 1977, \$22,468,978 in 1976)	19,327,713	18,155,722
Real estate mortgages and SBA loans	<u>61,941,668</u>	<u>34,963,368</u>
	<u>\$177,345,467</u>	<u>\$137,623,382</u>
<u>EQUITY</u>		
Equity	<u>\$177,345,467</u>	<u>\$137,623,382</u>

See notes to financial statements.

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

STATEMENTS OF CHANGES IN EQUITY
ARISING FROM CASH TRANSACTIONS

	<u>Year ended June 30,</u>	
	<u>1977</u>	<u>1976</u>
Balance at beginning of year	\$137,623,382	\$105,797,313
Additions during the year:		
Employee contributions	12,162,883	11,590,177
Employer and state contributions	24,030,230	19,348,436
Investment income	13,583,578	9,240,962
Interest on members' indebtedness	<u>460,346</u>	<u>369,534</u>
	50,237,037	40,549,109
Deductions during the year:		
Retirement benefits paid	8,161,421	6,390,012
Refunds to terminated members	1,859,829	1,926,610
Administrative expenses	<u>493,702</u>	<u>406,418</u>
	<u>10,514,952</u>	<u>8,723,040</u>
Balance at end of year	<u>\$177,345,467</u>	<u>\$137,623,382</u>

See notes to financial statements.

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 1977 AND 1976

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The State of Alaska Teachers Retirement System, established June 30, 1955, is a contributory pension system covering substantially all teachers and employees of the Department of Education and participating school districts.

Investments are stated at cost. Investment income consists of interest, dividends and the gain or loss on disposition of investments, which is the difference between the acquisition cost and the net sales proceeds.

The System maintains its records, and the financial statements are prepared, on the cash basis of accounting.

Contributions, interest and dividends, retirement benefits, refunds to terminating members and administrative expenses are recorded when cash is received or disbursed. Deferred discount or premium on mortgages is amortized over the terms of the mortgages.

NOTE B - DESCRIPTION OF THE SYSTEM:

Eligible participants contribute 7% of gross pay to the System. The participants' employers and the State of Alaska jointly contribute an amount which, in addition to participants' contributions, will annually fund estimated current service costs and fund prior service costs over 40 years.

Participants are entitled to full retirement benefits upon completion of 20 years of Alaska service or at age 55. Vesting occurs over eight years. All retirees receive a minimum monthly benefit of \$20 for each year of credited service. Upon termination member contributions, plus accrued interest, are refundable.

NOTE C - ACTUARIAL METHOD:

The employer contribution rates are determined actuarially on the basis of the aggregate method with supplemental liability.

Significant actuarial assumptions affecting employer funding rates are: 5% investment yield and salary escalation of 4% per year. Assets are valued using a moving three-year average relationship between cost and market values.

The increase in actuarially determined unfunded prior service liability, from \$81,200,000 in 1976 to \$109,900,000 in 1977, results from legislation which reduced retirement ages and retroactively increased benefits.

ADDITIONAL INFORMATION

The additional information presented in the following pages has been taken from the accounting and other records of the System and has been subjected to the tests and other auditing procedures applied in the examination of the financial statements for the year ended June 30, 1977. In our opinion, such information is fairly presented in all material respects in relation to the financial statements taken as a whole, although it is not necessary for a fair presentation of the System's assets and equity or changes in equity arising from cash transactions.

Touche Ross & Co.

Certified Public Accountants

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS

JUNE 30, 1977

	<u>Maturity date</u>	<u>Cost</u>	<u>Interest rate</u>
<u>CERTIFICATES OF DEPOSIT AND SAVINGS ACCOUNT:</u>			
<u>Certificates of deposit -</u>			
Alaska Federal Savings and Loan	7/01/77	\$ 200,000	6.75
Alaska Federal Savings and Loan	10/12/77	175,000	7.75
Alaska Federal Savings and Loan	10/12/78	100,000	7.75
Arctic First Federal Savings and Loan	10/10/78	150,000	7.50
Arctic First Federal Savings and Loan	7/15/79	200,000	7.50
Arctic First Federal Savings and Loan	7/15/80	200,000	7.50
First Federal Savings and Loan	6/30/77	100,000	7.50
First Federal Savings and Loan	6/30/78	137,000	7.50
		<u>1,262,000</u>	
<u>Savings accounts -</u>			
Bank of California		2,741,148	5.00
Alaska National Bank		<u>1,540,844</u>	5.00
		<u>4,281,992</u>	
		<u>\$5,543,992</u>	

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

UNITED STATES GOVERNMENT:

U. S. Treasury Notes -
U. S. Treasury Notes
U. S. Treasury Notes
U. S. Treasury Notes
U. S. Treasury Notes
U. S. Treasury Notes
U. S. Treasury Notes

U. S. agencies -
Twelve Federal land banks
Federal Home Loan Mortgage Corporation

Other U. S. agencies -
International Bank for Reconstruction
& Development

GNMA mortgage-backed securities -

Pool #1599
Pool #5153
Pool #5903
Pool #6609
Pool #7451
Pool #7638
Pool #8578
Pool #9029
Pool #N-14374
Pool #14920
Pool #14699
Pool #15527
Pool #17395
Pool #15814
Pool #3245
Pool #3273
Pool #5619

	Interest rate	Maturity date	Par value	Cost	Market value	Net yie
	7.000	11/15/81	\$ 2,500,000	\$ 2,506,250	\$ 2,532,031	6.983
	8.250	05/15/05	1,000,000	997,500	1,066,250	8.271
	6.625	11/30/77	3,000,000	3,004,062	3,013,140	6.616
	6.250	11/15/79	800,000	799,503	806,504	6.269
	8.000	02/15/83	100,000	100,000	105,563	8.000
	7.875	05/15/86	250,000	250,000	251,047	7.875
	6.625	02/15/07	1,000,000	977,500	1,004,060	7.801
			8,650,000	8,634,815	8,782,595	
	8.800	10/21/85	8,750,000	8,827,734	9,526,563	8.722
	8.125	03/15/07	2,500,000	2,489,844	2,512,500	8.158
			11,250,000	11,317,578	12,039,063	
	7.650	05/01/87	450,000	447,750	447,188	7.650
	7.000	07/15/12	511,455	511,455	476,932	7.000
	7.250	11/15/04	399,570	368,112	380,590	7.869
	7.250	02/15/05	894,699	831,691	852,201	7.799
	7.250	03/15/05	919,738	850,183	876,051	7.843
	7.250	07/15/05	908,291	839,601	865,147	7.843
	7.250	08/15/05	412,436	383,383	392,845	7.799
	7.250	11/15/05	494,093	456,055	470,624	7.854
	7.250	12/15/05	2,012,931	1,860,703	1,917,317	7.843
	7.500	02/15/07	517,281	497,075	500,308	7.805
	7.500	02/15/07	498,361	475,935	482,008	7.853
	7.500	03/15/07	1,497,903	1,437,987	1,448,753	7.813
	7.500	03/15/07	981,411	937,248	949,209	7.853
	7.500	05/15/07	1,000,000	950,000	967,188	7.895
	8.000	06/15/07	1,000,000	950,000	967,188	7.895
	8.000	02/15/04	1,000,000	950,000	967,188	7.895

Balance carried forward

Teacher Ross & Co.

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

UNITED STATES GOVERNMENT (continued):

GNMA mortgage-backed securities (continued) -

Balance brought forward

Pool #7007
Pool #7082
Pool #10881
Pool #10196
Pool #11295
Pool #11548
Pool #11537
Pool #12467
Pool #12983
Pool #12350
Pool #12985
Pool #13802
Pool #14900
Pool #1250
Pool #4160
Pool #3687
Pool #5328
Pool #6508
Pool #7577
Pool #6333
Pool #7057
Pool #7812
Pool #7580
Pool #8567
Pool #9110
Pool #7786
Pool #7860
Pool #8213
Pool #7138
Pool #8817
Pool #8827
Pool #9110
Pool #10319
Pool #10739

Balance carried forward

0.000 06/15/05
1,003,164 379,441 31,341 8.026
13,469,396 12,747,121 1,004,105 8.137
12,968,891 8.137

Interest rate	Maturity date	Par value	Cost	Market value	Net yield
8.000	07/15/05	\$13,469,396	\$12,747,121	\$12,968,891	
8.000	08/15/05	952,356	945,957	953,249	8.054
8.000	06/15/06	964,838	961,672	965,742	8.026
8.000	07/15/06	984,855	981,623	985,778	8.027
8.000	08/15/06	932,344	900,877	933,218	8.279
8.000	08/15/06	1,004,510	1,003,883	1,005,452	8.005
8.000	08/15/06	993,914	1,000,126	994,846	7.950
8.000	09/15/06	1,678	1,685	1,678	7.968
8.000	09/15/06	1,003,826	999,434	1,004,767	8.035
8.000	10/15/06	646	646	646	8.005
8.000	10/15/06	1,009,324	1,006,012	1,010,270	8.026
8.000	10/15/06	986,375	979,748	987,300	8.054
8.000	11/15/06	1,021,436	1,029,735	1,022,393	7.936
8.000	12/15/06	1,560	1,602	1,560	7.791
8.100	10/15/11	500,972	536,041	498,936	7.570
8.500	09/15/04	816,108	839,826	840,081	8.260
8.500	10/15/04	871,476	918,318	897,076	8.066
8.500	02/15/05	446,161	468,748	459,267	8.090
8.500	11/15/05	460,357	472,442	473,880	8.283
8.500	10/15/05	977,525	988,522	1,006,240	8.405
8.500	11/15/05	940,199	948,425	967,817	8.426
8.500	12/15/05	314	318	314	8.373
8.500	12/15/05	1,007,344	1,033,157	1,036,935	8.288
8.500	01/15/06	922,163	946,370	949,251	8.283
8.500	01/15/06	989,836	1,012,107	1,018,912	8.313
8.500	01/15/06	430,578	452,376	443,226	8.090
8.500	02/15/06	960,380	986,790	988,591	8.273
8.500	02/15/06	498,252	502,612	512,888	8.426
8.500	02/15/06	943,760	967,944	971,483	8.288
8.500	03/15/06	951,179	975,553	979,120	8.288
8.500	03/15/06	483,245	489,890	497,440	8.385
8.500	03/15/06	994,622	1,007,676	1,023,839	8.390
8.500	03/15/06	2,540	2,572	2,540	8.395
8.500	04/15/06	512,227	516,709	527,274	8.426
8.500	05/15/06	1,004,467	1,034,601	1,033,973	8.252
		38,040,763	37,661,118	37,964,873	

Touche Ross & Co.

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

UNITED STATES GOVERNMENT (continued):

GNMA mortgage-backed securities (continued) -

Balance brought forward

Pool #12363
Pool #12368
Pool #16900
Pool #17046

Interest rate	Maturity date	Par value	Cost	Market value	Net yield
8.500	08/15/06	\$38,040,763	\$37,661,118	\$37,964,873	
8.500	08/15/06	1,903,402	1,952,176	1,959,314	8.288
8.500	02/15/07	237,952	250,742	244,941	8.066
8.500	03/15/07	497,985	509,189	512,613	8.313
		2,496,063	2,553,785	2,569,385	8.308
		43,176,165	42,929,010	43,251,126	
		\$63,526,165	\$63,327,153	\$64,519,972	

OTHER BONDS, NOTES AND DEBENTURES:

Corporate notes and bonds -

Pacific Gas & Electric Co., 1st Ref.

Mtg. Series 75A

Montgomery Ward Credit Corp.

Diamond Shamrock Corp.

Pfizer, Inc.

Schlo/BP Trans Alaska Pipeline

Pfizer, Inc.

Ashland Oil Inc.

Exxon Corp.

BankAmerica Corp.

Sears Roebuck and Co.

Commonwealth Edison

Mountain States Telephone

Illinois Bell Telephone

New Jersey Bell Tel.

Indiana Bell Telephone

Northwestern Bell Tel.

Southern Bell Telephone

9.500	06/01/85	\$ 1,250,000	\$ 1,243,750	\$ 1,356,250	9.547
9.600	02/01/95	1,250,000	1,261,875	1,287,500	9.510
9.000	04/01/99	1,000,000	1,020,000	1,067,500	8.823
8.500	04/15/99	500,000	470,125	525,000	9.040
9.750	12/01/99	1,500,000	1,566,875	1,635,000	9.334
9.250	08/15/00	1,000,000	995,000	1,092,500	9.296
10.000	09/01/00	500,000	500,000	553,750	10.000
8.250	03/01/01	1,000,000	1,027,500	1,037,500	8.029
8.750	05/01/01	1,500,000	1,551,875	1,578,750	8.458
7.875	02/01/07	1,500,000	1,495,500	1,513,125	7.899
8.125	06/01/07	1,500,000	1,494,150	1,488,750	8.157
9.750	08/01/12	1,500,000	1,672,500	1,691,250	8.744
8.250	08/18/16	1,000,000	1,002,500	1,026,250	8.229
8.000	09/15/16	1,500,000	1,473,750	1,503,750	8.142
8.125	03/01/17	1,250,000	1,241,938	1,267,188	8.178
8.125	03/15/17	1,500,000	1,480,875	1,518,750	8.230
8.125	05/01/17	1,500,000	1,518,750	1,518,875	8.025
		20,750,000	21,016,963	21,659,688	

STATE OF ALASKA
TEACHERS' RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Maturity date	Par value	Cost	Market value	Net yield
OTHER BONDS, NOTES AND DEBENTURES (continued):						
Short-term debt issues -						
General Motors Acceptance Corporation	5.250	07/05/77	\$ 277,000	\$ 277,000	\$ 277,000	5.250
General Motors Acceptance Corporation	5.250	07/06/77	450,000	450,000	450,000	5.250
Ford Motor Credit Corporation	5.250	07/07/77	557,000	557,000	557,000	5.250
			<u>1,284,000</u>	<u>1,284,000</u>	<u>1,284,000</u>	
Repurchase agreements -						
Seattle-First	5.000	07/05/77	23,000	23,000	23,000	5.000
Other -						
K.G.I.C. Mortgage Corporation notes	7.750	12/15/77	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>7.750</u>
			<u>\$23,057,000</u>	<u>\$23,323,963</u>	<u>\$23,966,688</u>	

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Shares</u>	<u>Cost</u>	<u>Market value</u>
COMMON STOCKS:			
Alcan Aluminum	15,000	\$ 352,095	\$ 406,87
Aluminum Co. of America	10,000	372,814	530,00
American Broadcasting Co.	25,000	932,875	1,096,87
American Home Products	9,000	356,025	258,75
American Tel. & Tel. Co.	15,000	696,570	952,50
Atlantic Richfield Co.	10,000	445,060	605,00
Baker Intl. Corp.	15,000	541,227	793,12
Big Three Industries	10,200	328,500	318,75
Boeing Company	2,500	130,962	144,68
Boise Cascade Corp.	30,000	541,247	840,00
Caterpillar Tractor	7,500	332,573	433,12
CBS, Inc.	14,000	713,267	824,25
Communications Satellite	10,000	329,656	330,00
Continental Oil	20,000	555,240	677,50
Cooper Industries	12,000	501,768	552,00
Digital Equipment Corp.	4,000	120,398	187,50
Dresser Industries	4,000	171,300	183,00
Exxon Corp.	17,500	710,662	936,25
General Reinsurance Corp.	2,500	403,858	447,50
Georgia-Pacific Corp.	17,850	416,648	557,81
Getty Oil Company	5,000	752,908	1,023,75
Harnischfeger Corp.	5,000	112,169	108,75
Houston Industries, Inc.	3,500	112,490	118,56
Intl. Business Machines	6,700	1,487,786	1,768,80
Joy Manufacturing	5,000	209,770	218,75
Koppers Company, Inc.	26,500	610,019	622,75
Missouri Pacific Corp.	16,000	581,538	768,00
Montana Power Company	33,000	779,186	874,50
Norton Simon, Inc.	7,600	141,738	134,90
Owens-Corning Fiberglass	9,000	604,620	604,12
Ryder System Inc.	20,600	245,760	345,05
Safeco Corporation	13,500	465,875	632,81
Schering-Plough Corp.	5,000	321,793	181,87
Schlumberger, Ltd.	10,500	636,998	719,25
Standard Oil Co. of Calif.	10,000	387,250	417,50
Stauffer Chemical	12,000	520,315	469,50
Sundstrand Corporation	28,500	604,555	1,161,37
Union Oil Co. of Cal.	15,000	773,127	815,62
Union Pacific Corp.	19,000	866,655	1,087,75
U. S. Steel Corp.	4,000	160,416	159,00
		<u>\$19,327,713</u>	<u>\$23,308,125</u>

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net yield</u>
REAL ESTATE MORTGAGES AND SBA LOANS:				
FHA mortgages serviced by -				
Alaska Mutual Savings Bank	8.50	\$ 605,523	\$ 605,523	8.00
Alaska Mutual Savings Bank	8.00	93,803	90,998	7.92
Alaska Mutual Savings Bank	7.50	324,148	304,764	7.84
Alaska Mutual Savings Bank	6.75	89,487	84,108	7.07
Alaska Mutual Savings Bank	6.00	350,140	326,715	6.39
Alaska National Bank of Fairbanks	5.75	64,080	62,798	5.43
Alaska State Bank of Anchorage	8.50	356,196	337,602	8.76
Alaska State Bank of Anchorage	8.50	91,995	97,091	7.30
Alaska State Bank of Anchorage	7.50	69,842	68,969	7.30
Alaska State Bank of Anchorage	7.00	226,933	215,813	7.47
Alaska State Bank of Anchorage	6.00	391,874	378,629	5.94
Alaska State Bank of Anchorage	5.25	250,660	239,130	5.19
First National Bank of Anchorage	8.50	993,322	956,768	8.53
First National Bank of Anchorage	8.50	352,035	330,033	9.05
First National Bank of Anchorage	7.50	1,297,462	1,203,195	8.03
First National Bank of Anchorage	5.75	234,544	238,062	5.01
First National Bank of Anchorage	5.50	20,193	19,082	5.18
First National Bank of Anchorage	5.25	161,980	157,121	4.88
First National Bank of Ketchikan	5.25	29,489	28,309	5.12
National Bank of Alaska, Anchorage	8.00	46,114	47,728	7.15
National Bank of Alaska, Anchorage	7.50	106,034	105,568	7.19
National Bank of Alaska, Anchorage	7.00	2,261,606	2,149,193	7.30
National Bank of Alaska, Anchorage	6.00	112,144	106,851	6.12
National Bank of Alaska, Anchorage	5.25	19,330	18,266	5.30
Peoples Bank & Trust Company, Anchorage	7.50	29,379	28,315	7.50
Rainier Mortgage Company	8.50	350,710	335,208	8.64
Rainier Mortgage Company	7.50	292,395	280,787	7.55
Rainier Mortgage Company	6.00	134,835	130,277	5.94
Rainier Mortgage Company	5.25	97,490	92,615	5.21
		<u>9,453,743</u>	<u>9,039,518</u>	

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net yield</u>
REAL ESTATE MORTGAGES AND				
SBA LOANS (continued):				
<u>Small business loans serviced by -</u>				
Alaska National Bank, Fairbanks	10.00		\$ 117,441	9.50
Alaska National Bank, Fairbanks	9.00		39,381	8.50
Alaska National Bank, Fairbanks	8.50		84,559	7.50
B. M. Behrends Bank, Juneau	10.00		302,520	9.50
B. M. Behrends Bank, Juneau	8.75		274,359	8.25
National Bank of Alaska, Anchorage	11.50		184,067	11.00
National Bank of Alaska, Anchorage	10.50		665,153	10.00
National Bank of Alaska, Anchorage	9.50		39,404	9.00
National Bank of Alaska, Anchorage	9.25		1,543,298	8.75
National Bank of Alaska, Anchorage	9.00		108,770	8.50
National Bank of Alaska, Anchorage	8.75		418,885	8.25
National Bank of Alaska, Anchorage	8.50		145,482	8.00
National Bank of Alaska, Anchorage	8.00		<u>2,117,245</u>	7.50
			<u>6,040,564</u>	

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by -				
Alaska State Bank, Anchorage	11.00		\$ 903,411	10.69
AMFAC Mortgage Company	10.50		83,350	10.35
Arctic First Federal Savings and Loan, Fairbanks	10.75		64,963	10.44
Arctic First Federal Savings and Loan, Fairbanks	9.75		127,790	9.44
B. M. Behrends Bank, Juneau	10.75		16,940	10.44
B. M. Behrends Bank, Juneau	10.00		318,408	9.69
B. M. Behrends Bank, Juneau	9.75		62,037	9.44
B. M. Behrends Bank, Juneau	9.50		195,493	9.19
B. M. Behrends Bank, Juneau	11.00		477,667	10.81
B. M. Behrends Bank, Juneau	10.00		168,087	9.81
Home Federal Savings & Loan, Anchorage	10.25		547,500	10.19
Mt. McKinley Mutual Savings Bank, Fairbanks	10.75		39,413	10.44
Mt. McKinley Mutual Savings Bank, Fairbanks	10.00		119,420	9.69
Mt. McKinley Mutual Savings Bank, Fairbanks	9.75		508,345	9.44
Mt. McKinley Mutual Savings Bank, Fairbanks	9.25		139,585	8.94
Mt. McKinley Mutual Savings Bank, Fairbanks	10.25		281,349	10.06
National Bank of Alaska, Anchorage	10.75		290,107	10.44
National Bank of Alaska, Anchorage	10.50		124,000	10.31
National Bank of Alaska, Anchorage	10.25		427,948	9.94
National Bank of Alaska, Anchorage	10.00		811,404	9.69
National Bank of Alaska, Anchorage	10.00		740,865	9.81
National Bank of Alaska, Anchorage	9.80		59,795	9.49
National Bank of Alaska, Anchorage	9.75		1,725,823	9.44
National Bank of Alaska, Anchorage	9.75		119,358	9.56
National Bank of Alaska, Anchorage	9.625		1,177,893	9.31
National Bank of Alaska, Anchorage	9.50		3,094,925	9.19
National Bank of Alaska, Anchorage	9.375		2,414,978	9.06
National Bank of Alaska, Anchorage	9.375		72,996	9.31
Balance carried forward			15,113,850	

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest</u> <u>rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net vie</u>
REAL ESTATE MORTGAGES AND				
SBA LOANS (continued):				
Conventional/residential mortgages				
serviced by (continued) -				
Balance brought forward			\$15,113,850	
National Bank of Alaska, Anchorage	9.25		296,444	8.94
National Bank of Alaska, Anchorage	10.75		234,267	10.56
National Bank of Alaska, Anchorage	10.50		596,402	10.31
National Bank of Alaska, Anchorage	10.375		505,524	10.19
National Bank of Alaska, Anchorage	10.25		112,211	10.06
National Bank of Alaska, Anchorage	9.75		272,028	9.56
Alaska Bank of Commerce, Anchorage	12.00		128,046	12.00
Alaska Bank of Commerce, Anchorage	11.25		237,457	10.63
Alaska Bank of Commerce, Anchorage	11.25		215,172	11.06
Alaska Bank of Commerce, Anchorage	11.00		565,871	10.81
Alaska Bank of Commerce, Anchorage	10.50		469,036	10.31
Alaska Bank of Commerce, Anchorage	10.25		624,975	10.06
Alaska Bank of Commerce, Anchorage	10.00		1,932,056	9.69
Alaska Bank of Commerce, Anchorage	10.00		870,986	9.81
Alaska Bank of Commerce, Anchorage	9.75		2,021,378	9.44
Alaska Bank of Commerce, Anchorage	9.75		544,817	9.56
Alaska Bank of Commerce, Anchorage	9.625		356,124	9.31
Alaska Bank of Commerce, Anchorage	9.50		1,556,995	9.19
Alaska Bank of Commerce, Anchorage	11.00		281,310	10.81
Alaska Bank of Commerce, Anchorage	10.75		602,200	10.56
Alaska Bank of Commerce, Anchorage	10.50		238,554	10.19
Alaska Bank of Commerce, Anchorage	10.50		755,676	10.31
Alaska Bank of Commerce, Anchorage	10.00		551,742	9.69
Alaska Bank of Commerce, Anchorage	9.50		197,134	9.19
Alaska Bank of Commerce, Anchorage	10.50		1,428,146	10.44
Alaska Mutual Savings Bank, Anchorage	10.75		83,894	10.44
Alaska Mutual Savings Bank, Anchorage	9.50		353,766	9.19
Alaska Mutual Savings Bank, Anchorage	9.25		268,595	8.94
Alaska Mutual Savings Bank, Anchorage	9.125		63,512	8.81
Alaska Mutual Savings Bank, Anchorage	12.00		71,844	11.71
Alaska Mutual Savings Bank, Anchorage	11.00		557,132	10.81
Alaska Mutual Savings Bank, Anchorage	10.75		114,696	10.44
Balance carried forward			32,221,840	

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	Interest rate	Par value	Cost	Net yield
REAL ESTATE MORTGAGES AND SBA LOANS (continued):				
Conventional/residential mortgages serviced by (continued) -				
Balance brought forward			\$32,221,840	
Alaska Mutual Savings Bank, Anchorage	10.50		301,103	10.31
Alaska Mutual Savings Bank, Anchorage	10.00		79,500	9.69
Alaska Mutual Savings Bank, Anchorage	9.625		319,800	9.31
Alaska Mutual Savings Bank, Anchorage	9.50		59,671	9.19
Alaska Mutual Savings Bank, Anchorage	11.00		765,737	11.00
Alaska Mutual Savings Bank, Anchorage	10.50		536,771	10.31
Alaska National Bank of Fairbanks	12.00		416,347	12.00
Alaska National Bank of Fairbanks	11.00		525,000	10.81
Alaska National Bank of Fairbanks	10.50		481,840	10.31
Alaska National Bank of Fairbanks	12.00		1,000,000	12.00
Peoples Bank & Trust Company, Anchorage	10.50		157,967	10.19
Peoples Bank & Trust Company, Anchorage	10.25		188,232	9.94
Peoples Bank & Trust Company, Anchorage	10.25		225,521	10.06
Peoples Bank & Trust Company, Anchorage	10.00		295,927	9.69
Peoples Bank & Trust Company, Anchorage	10.00		213,563	9.81
Peoples Bank & Trust Company, Anchorage	9.75		540,596	9.44
Peoples Bank & Trust Company, Anchorage	9.75		264,382	9.56
Peoples Bank & Trust Company, Anchorage	9.625		72,686	9.31
Peoples Bank & Trust Company, Anchorage	9.50		1,202,635	9.19
Peoples Bank & Trust Company, Anchorage	9.375		52,430	9.06
Peoples Bank & Trust Company, Anchorage	9.125		52,771	8.81
Peoples Bank & Trust Company, Anchorage	11.00		144,711	10.81
Peoples Bank & Trust Company, Anchorage	10.75		134,444	10.56
Peoples Bank & Trust Company, Anchorage	10.50		499,548	10.31
Peoples Bank & Trust Company, Anchorage	10.25		81,941	9.94
Peoples Bank & Trust Company, Anchorage	9.75		68,488	9.44
Peoples Mortgage Company	10.50		216,750	10.31
Peoples Mortgage Company	10.25		675,000	10.19
United Bank Alaska	10.50		500,000	10.44
United Bank Alaska	10.00		836,217	9.69
United Bank Alaska	10.00		304,107	9.81
United Bank Alaska	9.625		492,808	9.31
Balance carried forward			43,928,333	

STATE OF ALASKA
TEACHERS RETIREMENT SYSTEM

DETAILS OF INVESTED FUNDS (continued)

JUNE 30, 1977

	<u>Interest</u> <u>rate</u>	<u>Par value</u>	<u>Cost</u>	<u>Net yield</u>
REAL ESTATE MORTGAGES AND				
SBA LOANS (continued):				
Conventional/residential mortgages				
<u>served by (continued) -</u>				
Balance brought forward			\$43,928,333	
United Bank Alaska	9.50		1,820,053	9.19
United Bank Alaska	9.50		127,669	9.31
United Bank Alaska	9.375		831,781	9.06
United Bank Alaska	10.50		153,750	10.31
			<u>46,861,586</u>	
			<u>\$61,941,668</u>	

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Investment Summary
June 30, 1977

	<u>Cost Value</u>	<u>Market Value</u>
Cash:		
Savings Deposits	\$ 2,741,148	\$ 2,741,148
Due From Banks	100,000	100,000
Total Cash	<u>\$ 2,841,148</u>	<u>\$ 2,841,148</u>
Short Term Debt Issues:		
Savings Certificates	\$ 1,162,000	\$ 1,161,825
Total Short Term Debt Issues	<u>\$ 1,162,000</u>	<u>\$ 1,161,825</u>
Fixed Income Marketable Issues:		
U.S. Agency Securities	\$ 54,244,589	\$ 55,290,189
U.S. Treasury Notes and Bonds	3,503,750	3,598,281
Corporate Notes and Bonds	21,016,962	21,770,353
Private Placements	1,000,000	1,000,000
Total Fixed Income Marketable Issues	<u>\$ 79,765,301</u>	<u>\$ 81,658,823</u>
Loans and Mortgages:		
FHA	\$ 9,039,518	\$ 8,775,689
Small Business	6,040,563	5,820,902
Conventional	46,861,588	48,395,847
Total Loans and Mortgages	<u>\$ 61,941,669</u>	<u>\$ 62,992,438</u>
Common Stock Account:		
Cash	\$ 1,541,648	\$ 1,541,648
Short Term Debt Issue	1,307,000	1,307,000
Fixed Income Issues	5,578,815	5,631,862
Common Stock	19,327,713	23,308,125
Total Common Stock Account	<u>\$ 27,755,176</u>	<u>\$ 31,788,635</u>
Total Investments	<u>\$173,465,294</u>	<u>\$180,442,869</u>

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Comparative Statement of Operations

	Fiscal Year Ended	
	June 30, 1977	June 30, 1976
Beginning Equities and Reserves	\$137,623,382	\$105,797,313
Additions:		
Employees' Contributions:		
Mandatory	\$ 10,599,596	\$ 10,422,963
Reinstatement	101,170	66,678
Arrearage	806,899	518,001
Retroactive	87,994	110,045
Supplemental	511,297	472,490
Retirement Option Payback	55,927	
Total Employees' Contributions	\$ 12,162,883	\$ 11,590,177
Employers' Contributions	11,701,480	9,632,759
State Contributions - Matching	12,328,750	9,715,677
Net Investment Income 1)	13,583,578	9,240,962
Interest Earned on Employees' Indebtedness	460,346	369,534
Total Additions	\$ 50,237,037	\$ 40,549,109
Total Equities, Reserves and Additions	\$187,860,419	\$146,346,422
Deductions:		
Administrative Expenses:		
Personal Services	\$ 236,369	\$ 192,396
Travel	12,679	10,515
Contractual Services	73,846	71,646
Commodities	2,301	1,809
Equipment	1,607	2,452
Inter-Agency Service	166,900	127,600
Total Administrative Expenses	\$ 493,702	\$ 406,418
Employees' Contributions and Interest Refunded	1,859,829	1,926,610
Retirement Benefits Paid	8,161,421	6,390,012
Total Deductions	\$ 10,514,952	\$ 8,723,040
Ending Equities and Reserves	\$177,345,467	\$137,623,382

STATE OF ALASKA

TEACHERS' RETIREMENT FUND

Footnotes to Comparative Statement of Operations

1) Schedule of Net Investment Income for Fiscal Year ended June 30, 1977.

Interest Income	\$11,467.113
Gain/(Loss) on Sale of Securitites	<u>2,116,465</u>
Total Net Investment Income	<u>\$13,583,578</u>

STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Analysis of Cash

General Ledger Cash on 6/30/77 Adjusted as of 8/31/77	\$ 3,975,242.03
Less Auditors' Adjustments	<u>95,068.00</u>
Sub-Total	\$ 3,880,174.03
Add Cash in Trustee Common Stock Account	<u>804.02</u>
Annual Report Cash Balance	<u>\$ 3,880,978.01</u>

MERCER

Benefit Services / Consulting Actuaries

October 11, 1977

Mr. B. B. Allen
Commissioner of Administration
State of Alaska
Department of Administration
Pouch CR
Juneau, Alaska 99811

Actuarial Status - Alaska Teachers' Retirement System

Dear Commissioner Allen:

This is a brief statement to outline the actuarial status of the Alaska Teachers' Retirement System. The actuarial valuation which we perform each year with respect to the Alaska Teachers' Retirement System has the following objectives:

- (1) To examine the status of funding of the System.
- (2) To develop a contribution rate which is adequate to support the benefits of the System.

The actuarial valuation of the Alaska Teachers' Retirement System as of June 30, 1977 is based upon actuarial assumptions and methods which are identical to those used in the prior valuation. The more significant results are as follows:

Contribution Rates

Contribution rates as a percent of earnings have decreased slightly, primarily due to greater than anticipated investment yields during the year. The following table summarizes those rates.

	--- Valuation Date ---	
	<u>6-30-76</u>	<u>6-30-77</u>
(1) Basic System	12.43%	12.24%
(2) Medical Benefit	<u>.63%</u>	<u>.62%</u>
(3) Total Employer-State Contribution Rate	13.06%	12.86%

Mr. B. B. Allen
Page Two
October 11, 1977

Funding Progress

One of the best measures of a pension plan's funding progress is the growth of assets relative to the present value of accrued benefits. The greater-than-assumed investment yield of the fund during 1976/77 more than offset the effect of rapid growth in salaries during the year, thus leading to an increase in the accrued benefit funding ratio. The improvement in this ratio was dampened by the 10% PRPA which became effective July 1, 1977, thereby increasing liabilities by \$6,235,843.

	--- Valuation Date ---	
	<u>6-30-76</u>	<u>6-30-77</u>
(1) Valuation Assets	\$134,471,807	\$182,062,858
(2) Present Value of Accrued Benefits	244,460,953	315,383,056
(3) Accrued Benefit Funding Ratio	55.0%	57.7%

A more complete analysis appears in the actuarial valuation report. In summary, it is our opinion that the funding progress of the System is satisfactory and the contribution levels are sufficient to support the benefits of the System.

Sincerely,

Robert F. Richardson

Robert F. Richardson, MAAA
Assistant Vice President

RFR:jn

Valuation of Liabilities

- A. Actuarial Method - A type of Aggregate Method which spreads all unfunded liabilities as a level percent of salaries over 14 years.
- B. Actuarial Assumptions -
- | | |
|--------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Interest | 5% per annum, compounded annually, net of investment expenses. |
| (2) Salary Scale | 4% per annum, compounded annually until age 39; 2% from 40 to 49; and 1% thereafter. |
| (3) Mortality | 1951 Group Annuity Mortality Table with Projection "C" to 1965. |
| (4) Turnover | In accordance with Table 1. |
| (5) Disability | Incidence rates in accordance with Table 2. Post-disability mortality in accordance with the 1944 Railroad Retirement experience rates. |
| (6) Retirement Age | Average of age 60 and the earliest age for which the member would be eligible for Normal Retirement benefits. |
| (7) Contribution Refunds | 50% of those terminating after age 40 and 8 years of membership service will receive their deferred vested benefit; all others will take their contributions upon termination before retirement. |
| (8) C.O.L.A. | 40% will be eligible for C.O.L.A. |
| (9) Miscellaneous | All members are assumed to have one minor child; husbands are assumed to be 4 years older than their wife. |
| (10) Expenses | No loading for expenses. |

Valuation of Assets - Adjusted market basis using the three-year average relationship between market and book values.

TABLE 1

TEACHERS' RETIREMENT SYSTEM
STATE OF ALASKA

SEPARATION RATES

ANNUAL RATES PER 1,000 EMPLOYEES

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	165.0	40	100.0
21	162.0	41	95.0
22	160.0	42	90.0
23	158.0	43	85.0
24	155.0	44	80.0
25	152.0	45	75.0
26	149.5	46	70.0
27	146.0	47	65.0
28	142.5	48	60.0
29	140.0	49	55.0
30	137.0	50	45.0
31	132.5	51	35.0
32	130.0	52	25.0
33	127.5	53	15.0
34	125.0	54	5.0
35	120.0		
36	116.0		
37	112.0		
38	108.0		
39	104.0		

TABLE 2

TEACHERS' RETIREMENT SYSTEM
STATE OF ALASKA

DISABILITY RATES

ANNUAL RATES PER 1,000 EMPLOYEES

<u>Age</u>	<u>Rate</u>	<u>Age</u>	<u>Rate</u>
20	.70	45	1.62
21	.71	46	1.76
22	.72	47	1.91
23	.73	48	2.07
24	.74	49	2.23
25	.75	50	2.40
26	.76	51	2.60
27	.78	52	2.86
28	.80	53	3.18
29	.82	54	3.56
30	.84	55	4.00
31	.86	56	4.59
32	.88	57	5.34
33	.90	58	6.10
34	.93	59	7.20
35	.96	60	8.43
36	.99	61	9.75
37	1.03	62	11.30
38	1.07	63	13.05
39	1.11	64	14.90
40	1.15		
41	1.20		
42	1.27		
43	1.36		
44	1.48		

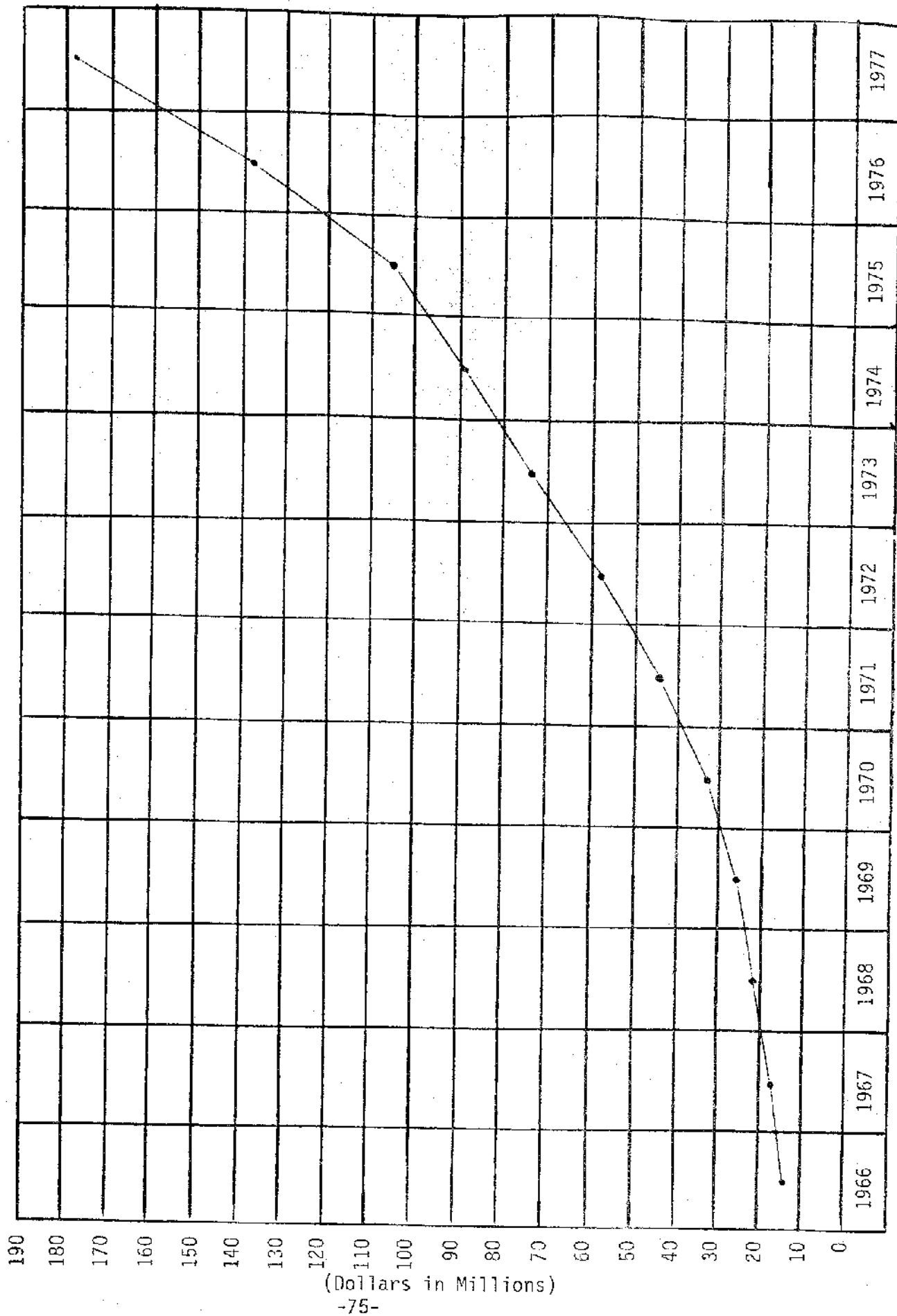
STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Historical Data
Fiscal Years 1965 through 1977
(cents omitted)

Fiscal Year	Assets Fiscal Year End	Employers' Contributions During Fiscal Year	Employees' Contributions During Fiscal Year	Benefits Paid Including Death Benefits	Employees' Contributions and Interest Refunded During Fiscal Year	Net Investment Income During Fiscal Year
1965	\$ 11,525,883	\$ 1,262,117	\$ 1,200,977	\$ 216,260	\$ 363,594	\$ 479,150
1966	13,950,410	1,290,307	1,297,780	257,287	391,343	532,712
1967	17,703,808	1,791,537	2,050,955	298,082	438,256	702,305
1968	21,397,071	1,864,630	2,002,459	402,205	532,155	871,778
1969	26,198,453	1,983,226	2,853,414	592,162	638,713	1,222,182
1970	32,867,233	3,854,210	2,622,059	907,777	644,974	1,839,574
1971	44,985,043	6,408,602	5,284,693	1,057,714	641,652	2,199,640
1972	58,400,298	7,470,707	5,713,570	1,817,534	790,808	2,931,286
1973	73,979,377	9,543,907	6,820,652	2,493,491	1,312,958	3,181,537
1974	89,794,395	8,770,748	8,628,798	3,642,667	1,419,832	4,287,131
1975	105,797,313	11,526,213	9,147,206	4,574,494	1,896,431	1,844,773
1976	137,623,382	19,348,436	11,590,177	6,390,012	1,926,611	9,240,962
1977	177,345,467	24,030,230	12,162,883	8,161,421	1,859,829	13,583,578

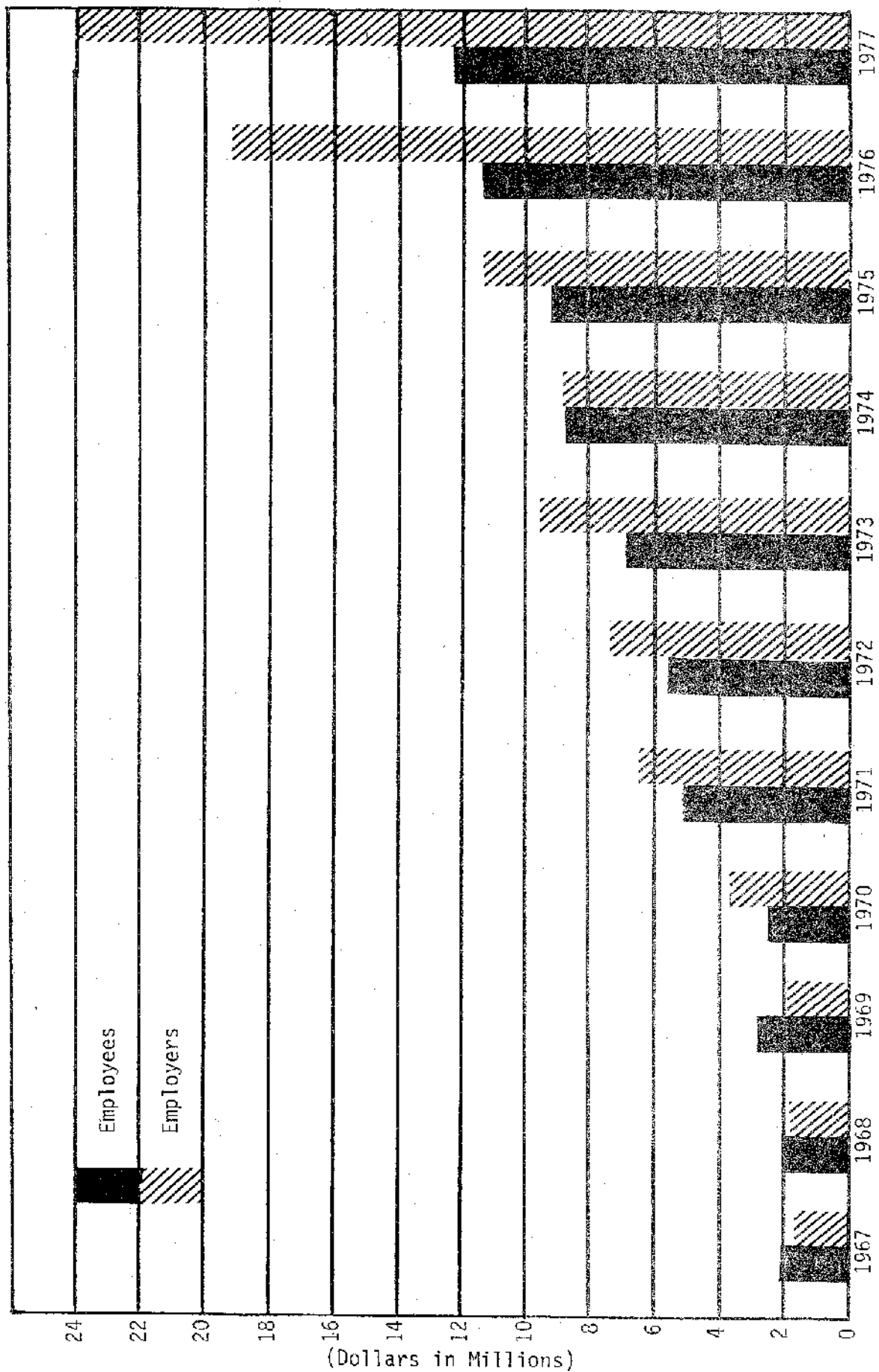
STATE OF ALASKA

TEACHERS' RETIREMENT FUND Total Assets Fiscal Years 1966 through 1977



STATE OF ALASKA

TEACHERS' RETIREMENT FUND Employees' and Employers' Contributions Fiscal Years 1967 through 1977

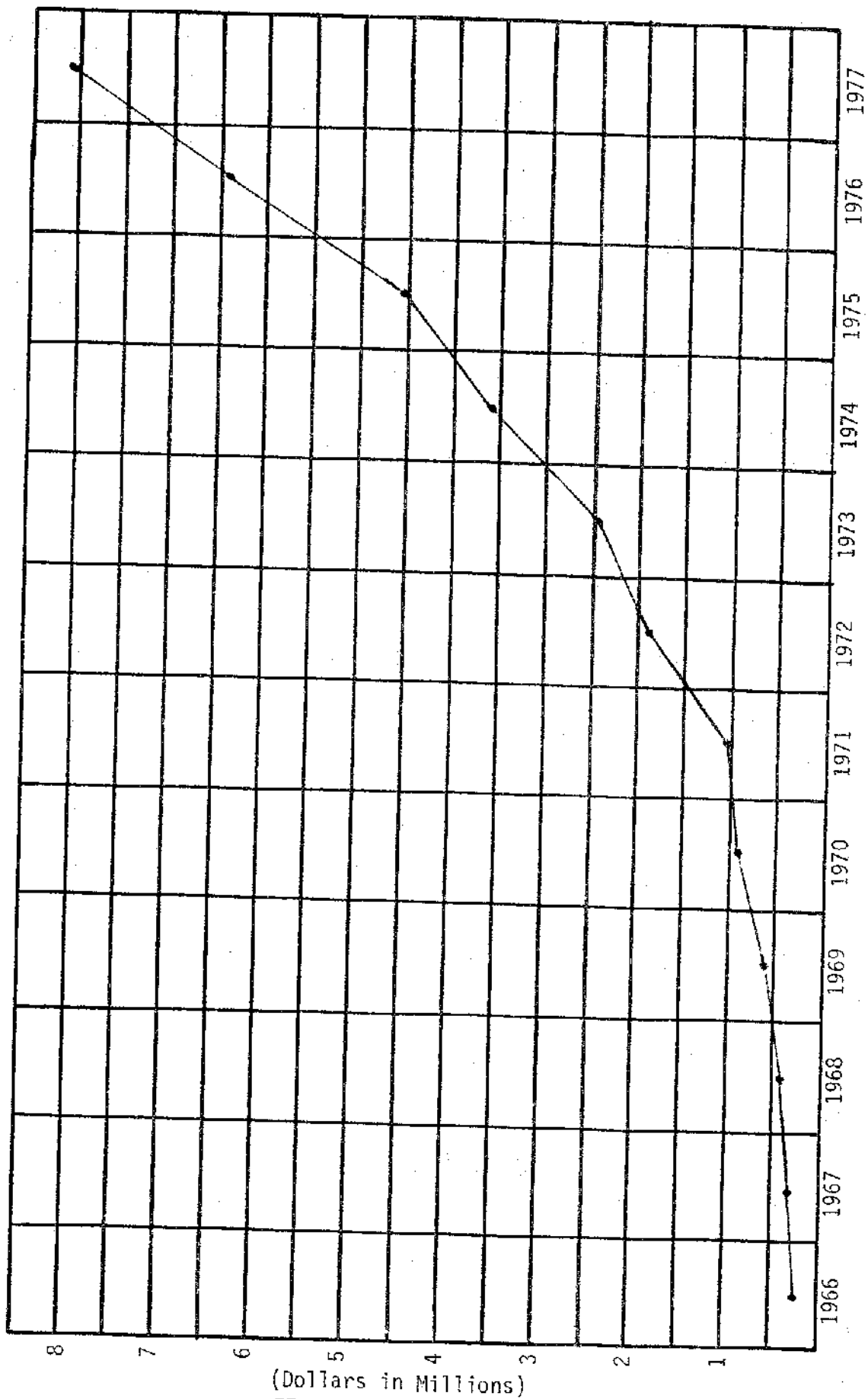


STATE OF ALASKA

TEACHERS' RETIREMENT FUND

Benefits Paid

Fiscal Years 1966 through 1977



STATE OF ALASKA
TEACHERS' RETIREMENT FUND
Employer Contribution Rates
For Fiscal Year 1977

<u>Employer</u>	<u>Percentage</u>
Alaska Central Railbelt Schools	7.09
Adak Region School District	-
Alaska, University of	-
Alaska, University of, Geophysical Institute	-
Aleutian Region School District	-
Anchorage School District	-
Annette Island School District	-
Bering Straits School District	-
Bristol Bay Borough School District	-
Bristol Bay Regional Resource Center	-
Chatham School District	-
Chugach Region School District	-
Copper River School District	-
Cordova School District	-
Craig School District	-
Delta-Greely School District	-
Department of Education, State of Alaska	-
Dillingham School District	-
Fairbanks North Star Borough School District	-
Galena City Schools	-
Haines School District	-
Hoonah City Schools	-
Hydaburg School District	-
Iditarod Area School District	-
Juneau Borough School District	-
Kake City Schools	-
Kenai Peninsula Borough School District	-
Ketchikan Gateway Borough School District	-
King Cove City Schools	-
Klawock City Schools	-
Kodiak Island Borough School District	-
Kuspuk School District	-
Lake and Peninsula School District, The	-
Lower Kuskokwim School District	-
Lower Yukon School District	-
Matanuska-Susitna Borough School District	-
National Education Association	-
Nenana School District	-
Nome City Schools	-
North Slope Borough School District	-
Northwest Arctic School District	-
Northwest Regional Resource Center	-
Pelican School District	-
Petersburg City Schools	-
Pribilof Region School District	-

Same for all

STATE OF ALASKA

TEACHERS' RETIREMENT FUND
Employer Contribution Rates
For Fiscal Year 1977

continued -

<u>Employer</u>	<u>Percentage</u>
Selawik City School District	7.09
Sitka Borough School District, Greater	-
Skagway City School District	-
Southeast Islands School District	-
Southeastern Regional Resource Center	-
Southcentral Regional Resource Center	-
Southwest Region School District	-
St. Mary's School District	-
Unalaska School District	-
Valdez City Schools	-
Wrangell Public Shools	-
Yakutat School District	-
Yukon Flats School District	-
Yukon-Koyukuk School District	-

